



Daily Report

Latin America

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CONTENTS

21 April 1995

INTER-AMERICAN AFFAIRS

Roundup of Reaction to Oklahoma Bombing [Santa Fe de Bogota Radio, etc.] 1

CARIBBEAN

Cuba

Talks With U.S. Shrouded in 'Secrecy,' 'Caution' [PRENSA LATINA] 2
 Alarcon: Guantanamo Issue 'Main Problem' at U.S. Talks [Havana Radio] 2
 'Pseudo-Cuban Phonies' Back Helms Bill [Havana TV] 3
 Migration Talks End; Compliance With Accords 'Satisfactory' [PRENSA LATINA] 3
 Spokesman: Denounces Pentagon Plan for Visits to Rafters [PRENSA LATINA] 4
 Foreign Ministry Criticizes Granting Asylum to 'Assassin' [PRENSA LATINA] 4
 Says U.S. 'Rewarded' Assassin [Havana Radio] 4
 Roundtable Discussion on U.S. Policy on Cuba [Havana Radio] 5
 Roundup of Economic Developments [Havana TV, etc.] 8

MEXICO

Secretariat: Conditions for Talks With EZLN Not Met [NOTIMEX] 10
 Conai on Security Measures for Government-EZLN Talks [NOTIMEX] 10
 \$423.076 Billion Earmarked for Chiapas Development [NOTIMEX] 10
 Migration Supervisory Group To Operate at Southern Border [NOTIMEX] 11
 Secofi: Strategic Commercial Alliances Promoted [LA JORNADA 19 Apr] 12
 Banker Concerned About More Monetary Restrictions [EL FINANCIERO 19 Apr] 12
 Bankers Association President on Accounts Due Portfolios [LA JORNADA 19 Apr] 13
 IMMPE President: Government Plan Impedes Growth [EL FINANCIERO 19 Apr] 14
 Trade Surplus With U.S. Reaches Historic Level [NOTIMEX] 14

CENTRAL AMERICA

Guatemala

Former Defense Minister on U.S. Suit [LA REPUBLICA 17 Apr] 15
 Fecaica Urges Repeal of Standardized Tariff [SIGLO VEINTIUNO 19 Apr] 16
 President Comments on Effects of Tariff Standardization [Guatemala City TV] 16
 Congress Approves Banking Law Reforms, Improves Benefits [PRENSA LIBRE 19 Apr] 17

Honduras

Reina Refutes Report on Alleged Assassination Plot [Tegucigalpa TV] 17
 Business Council President on Devaluation of Lempira [LA TRIBUNA 20 Apr] 18

Nicaragua

Assembly President Interviewed on Political Dispute [Managua TV] 19
 Army: Former Contras Have Arms in Other Countries [ACAN] 19

Panama

Government Welcomes U.S. Nomination of New Envoy
 [LA ESTRELLA DE PANAMA 20 Apr] 20
 Government Ministry Examines Plot Against PTJ Director [LA PRENSA 19 Apr] 20
 Opposition Skeptical Over Plot [EL PANAMA AMERICA 19 Apr] 21
 Reverted Areas Subject to Technical Evaluation [LA ESTRELLA DE PANAMA 19 Apr] 21
 Article Discusses Loss of Confidence, Military Bases [LA ESTRELLA DE PANAMA 20 Apr] 22

SOUTH AMERICA

Argentina

Menem Condemns Attacks in U.S., Spain, Japan [TELAM] 24
 Menem Contacts Clinton, Oklahoma's Keating [TELAM] 24
 Further Reaction to Oklahoma Attack [TELAM, etc.] 24
 Di Tella Makes Efforts To Prevent Trade Sanctions [TELAM] 25
 UCR Leaders Harshly Criticize Veto of Patent Law [NOTICIAS ARGENTINAS] 25
 Savings Passbook Owners Renewing Deposits 'Nationwide' [TELAM] 26
 Leftist Presidential Candidate Views Programs [TELAM] 26

Candidate Bordon Vows To Maintain Convertibility Plan	[NOTICIAS ARGENTINAS]	27
Paraguayan Daily Interviews Navy Chief of Staff	[ABC COLOR 19 Apr]	28
Bolivia		
President, Foreign Minister Justify State of Siege	[La Paz Radio]	28
Some 200 Arrested Banished to Barracks in Uyuni, Cobija	[La Paz TV]	29
Union Denies Subversive Activities of Leaders in Copacabana	[La Paz Radio]	29
COB Demands Release of Detainees, Asks Church To Mediate	[La Paz Radio]	29
Brazil		
Government Proposes 'Strict' Budget Guidelines Law	[GAZETA MERCANTIL 17 Apr]	30
Cardoso Disavows Motta's Criticism, Says Case 'Closed'	[AGENCIA ESTADO]	30
Poll Canvasses Public on Economy, Cardoso, Reforms	[ISTOE 12 Apr]	31
Southern Governors on Cardoso Administration's 'Mistakes'	[AGENCIA ESTADO]	31
Commentator Examines Government Disillusionment With PMDB	[JORNAL DO BRASIL 11 Apr]	31
New PSDB Leader Admits PFL's Firm Role in Government	[O ESTADO DE SAO PAULO 13 Apr]	32
Article Notes Industries Delay in Tax Payments	[FOLHA DE SAO PAULO 18 Apr]	33
War College Commanders Defend 'Democratic' Protests	[GAZETA MERCANTIL 11 Apr]	34
Chile		
Cabrera Appointed New Navy Under Secretary	[LA NACION 8 Apr]	34
Supreme Court Removes Appeals Court Judge	[LA NACION 7 Apr]	35
Correction to 'Concern' Expressed on NAFTA Negotiations		35
Colombia		
Simper Unveils Measures To Bolster Security	[Santa Fe de Bogota Radio]	35
Chief of Antinarcotics Command on Training for Guerrillas	[NOTIMEX]	38
Checks Seized in 1994 Cali Raid Discussed	[EL TIEMPO 29 Mar]	38
SEMANA Denies Rumors of Censorship	[EL TIEMPO 5 Apr]	39
Ecuador		
Leoro Blames Peru for Continued Border Closure	[Quito Radio]	40
Paraguay		
Foreign Ministry Defines Functions of New Deputy	[NOTICIAS 13 Apr]	40
Peru		
Ministers Resign En Masse Pending Transition Cabinet	[Lima TV]	40
Daily Assesses Fujimori's Announced Victory	[LA REPUBLICA 11 Apr]	41
Fujimori Warns Against Ecuadoran Arms Buildup	[EL COMERCIO 13 Apr]	42
Brazilian Envoy on Elections, Conflict With Ecuador	[EL COMERCIO 12 Apr]	43
Uruguay		
Economy Minister Forecasts No Growth for 1995	[NOTICIAS ARGENTINA]	43
Venezuela		
Interior Minister Cited on Violation of Human Rights	[EL NACIONAL 20 Apr]	44
Finance Minister Denies Amendment Creates Dual Markets	[ECONOMIA HOY 19 Apr]	44
Finance Minister, JAC President Disagree on Dual Markets	[EL UNIVERSAL 19 Apr]	45
French Guiana		
Ariane Rocket Launched From Space Center	[AFP]	46

Roundup of Reaction to Oklahoma Bombing
PA2104041195

[FBIS Editorial Report] The following is a compilation of reports on the reaction to the bombing of the federal building in Oklahoma City on 19 April.

Colombia

In a letter sent to the U.S. President, Colombian President Ernesto Samper Pizano has said that during this hour of pain for Americans, "we Colombians are recalling the December 1989 experience in Santa Fe de Bogota, when the drug cartels murdered hundreds of innocent people in a terrorist attack." The letter reads as follows: "I want to assure you that the Colombian people, as no one else in the world, today feels as their own the indignation, pain, and uncertainty through which the U.S. Government and people are going." The letter was extended to the relatives and friends of the victims of this attack. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1742 GMT 20 Apr 95)

El Salvador

According to a 20 April, San Salvador-dated report, the Salvadoran Government has condemned the 19 April terrorist attack on the Alfred Murray Building in Oklahoma City and has described it as a "barbaric act" that has no "place in today's world." According to official sources, President Armando Calderon Sol has sent a letter to his U.S. counterpart, William Clinton, stating his solidarity with the "U.S. Government and people, while repudiating this abominable attack." In addition, the Presidency Information Secretariat has reported that President Calderon Sol "has urged the international community to oppose and denounce the terrorist actions and groups that harm innocent people."

The secretariat added that "these types of terrorist acts are illogical and, therefore, have no place in a world seeking to consolidate peace, democracy, and respect for human rights." (Panama City ACAN in Spanish 1956 GMT 20 Apr 95)

Mexico

On the night of 19 April, President Ernesto Zedillo, on behalf of the Mexican people, sent a message of condolence and condemned the attack on the federal building in Oklahoma City. President Zedillo, through the Mexican foreign relations minister, who is in New York, deeply lamented the incident in which men, women, and children were murdered and injured. "Mexico has supported the international condemnation of the explosion at a downtown building in Oklahoma City," (Carlos Salomon), Presidency social communications director, has said. (Mexico City XEW Television Network in Spanish 0430 GMT 20 Apr 95)

Nicaragua

According to a 20 April, Managua-dated item, the Nicaraguan Government has "categorically" repudiated and condemned the 19 April attack on a federal building in Oklahoma City, leaving many dead and hundreds more injured. "In light of this repudiated attack," the Nicaraguan Government has called on the international community "to join efforts" in the fight against terrorism, "the actions of which swarm our nations with innocent victims." In a note made public in Managua, the Nicaraguan Foreign Ministry also expressed solidarity with and support for the U.S. people and government "due to such a painful incident." In addition, the note recalled that the international terrorist actions constitute "a threat" to world security. (Panama City ACAN in Spanish 2000 GMT 20 Apr 95)

Cuba

Talks With U.S. Shrouded in 'Secrecy,' 'Caution'*PA2004153095 Havana PRENSA LATINA in Spanish
2047 GMT 19 Apr 95*

[By Roberto Molina]

[FBIS Translated Text] United Nations, 19 Apr (PL)—The third round of negotiations between Cuba and United States to examine the fulfillment of the September migration agreement took place in three brief work sessions, which concluded today.

The secrecy and caution surrounding the substance of the talks from their initial phase on 1 September 1994 also prevailed on this occasion, and no specific details whatsoever have been disclosed by the spokesman of either delegation.

While the U.S. side insisted that the talks should be limited to migration issues and acknowledged that progress has been made in the agreement's fulfillment, the Cuban side said that the talks went well and they agreed that key areas of the agreement have been fulfilled to satisfaction.

Even yesterday's assertion that the next round will be held at the end of May in Havana was changed to a less definitive—in the course of the next two months—statement to prevent either of the sides from possibly having any difficulties with the work agenda by that date.

The delegations, headed by Ricardo Alarcon, president of the National Assembly of the People's Government, and Dennis Hays, coordinator of Cuban affairs at the State Department, yesterday held two plenary sessions, which altogether took a little over five hours.

Shortly after 1700 (2100 GMT) yesterday, after the evening session, a joint work group continued to discuss very specific issues pertaining to the treaty's fulfillment.

This round in New York was the third to examine the fulfillment of the September agreement. The first was held in Havana in late October and the second in New York in January.

Cuba and the United States agreed to begin talks on migration issues late in August 1994 due to the growing number of illegal departures from the island, which were encouraged by the policy and propaganda that for years regarded people who made the crossing as heroes.

From 1 through 9 September complex talks were held to reach the agreement that was finally signed.

This document establishes that the United States is under the obligation to grant no fewer than 20,000 visas yearly—the deadline expires on 9 September—to Cuban citizens interested in traveling to that country.

An additional number of special visas will also be granted within a one-year period in an attempt to reduce a waiting list created by Washington's failure to fulfill a previous agreement signed in 1984.

Cuba pledged to strive, through persuasive methods, to prevent illegal departures to Florida's coasts.

The U.S. Government also assumed the responsibility of rejecting, by all means possible, the illegal arrival of Cubans in the United States.

The agreement points out that the sides will reject and take steps against individuals who resort to violence or the hijacking of airplanes or ships for the purpose of leaving the country illegally.

Due to the concentration at the U.S. naval base in Guantanamo of thousands of people who left Cuba illegally, the United States announced that visas would be granted in Havana and that only people within Cuban jurisdiction would be entitled to them.

According to the agreement, this means that the Cubans must voluntarily return to Cuba to benefit from the facility of a legal departure provided by the U.S. Government.

Ever since, and during the round that concluded today, the talks have been devoted to examining the conditions stated in the agreement.

Alarcon: Guantanamo Issue 'Main Problem' at U.S. Talks*FL2104011295 Havana Radio Rebelde Network in Spanish 2300 GMT 20 Apr 95*

[News conference by Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government and head of the delegation to the fourth round of U.S.-Cuban migration talks, with unidentified correspondents upon returning to Havana from New York on 20 April; from the "Exclusive" program—recorded]

[FBIS Translated Text] [Alarcon] Considering everything, I would say that, in general, there is a willingness on both sides to fulfill the agreement but that there are some problems that must be seriously addressed. That is why Cuba proposed that this meeting be held at this time and why we will continue discussing those things at the next meeting, which should be held toward the end of May or beginning of June.

[Correspondent] The rafters have been on the Guantanamo naval base for almost one year now. Nevertheless, Cuba has made it clear that that installation should not be used as a migratory center. Was anything said on the matter? Was there any mention of a solution?

[Alarcon] This is the main problem. Both governments must continue making a detailed analysis of the problem to find a definite solution [words indistinct] they are victims of a 35-year-old policy that encouraged them and

made them believe that they were going to be welcomed into the United States, as many other people were. Therefore, that must also be considered. We must also consider that there is no need to multiply or reproduce abnormal situations that do not correspond with the interests of either one of the two countries. This is the main issue that must be addressed to ensure the proper fulfillment of the agreement. I would say that it was the core of what we did in New York these past few days, and it should be the core of what we will continue doing in the next meeting—which will be held, as I said before, in the near future.

'Pseudo-Cuban Phonies' Back Helms Bill

FL2104015195 Havana Cuba Vision Network in Spanish 0000 GMT 21 Apr 95

[From the "NTV" newscast]

[FBIS Translated Text] The Cuban delegation that participated in the third [as heard] round of migration talks has returned to Cuba. Cuba and the United States signed an agreement in September—after ending the so-called rafters crisis—in which Washington committed to granting a minimum of 20,000 visas to Cuban citizens who wish to emigrate to that country. Correspondent Rey Rodriguez has more:

[Begin recording] [Rodriguez] The island delegation that participated in this third round of contacts has returned to Cuba after two working sessions in New York, during which Cubans and North Americans assessed fulfillment of the September migration agreements.

[Alarcon] We worked for two whole days. We worked late into the night on the first day and until 1200 on the second day. Considering everything, I would say that, in general, there is a willingness on both sides to fulfill the agreement but that there are some problems that must be seriously addressed. That is why Cuba proposed that this meeting be held at this time.

[Rodriguez] Alarcon, could the Helms bill jeopardize the migration talks if it is approved?

[Alarcon] The Helms project is designed to complicate relations between the two countries, even prevent any chance of normalizing U.S.-Cuban relations. It is truly the project of a madman—a madman and a group of pseudo-Cuban phonies [farsantes]—this counterrevolution of Cuban origin, who are doing what they have been doing since the beginning of the Revolution: seeking U.S. aid to reestablish their privileges in the sinecures that they had in this country prior to the Revolution and acting as an instrument for the United States to make Cuba a country submitted to the United States, a Yankee neocolony, administered, usufruct, by a group of landowners [terratenientes], thieves, etc. It clearly would be absurd to think there could be any kind of understanding between the two countries if a law like that were to pass and become part of U.S. policy.

[Rodriguez] Alarcon commented on the permanence of Cuban rafters on the Guantanamo naval base:

[Alarcon] This is the main problem. Both governments must continue making a detailed analysis of the problem to find a definite solution that takes into account, on one hand, the situation of these people, who, first of all, are human beings and who are victims of a 35-year-old policy that encouraged them and made them believe that they were going to be welcomed into the United States, as many other people were. Therefore, that must also be considered.

[Rodriguez] Both sides agreed to hold a fourth round of talks toward the end of May here, in Havana. Meanwhile, the Cuban delegation reports that the September migration agreements are progressing satisfactorily. [end recording]

Migration Talks End; Compliance With Accords 'Satisfactory'

PA2004181195 Havana PRENSA LATINA in Spanish 1710 GMT 20 Apr 95

[FBIS Translated Text] United Nations, 20 Apr (PL)—Cuba's official delegation to the negotiations with the United States on migration issues today left for its home country after two days of talks to review the level of compliance with the agreements signed in September 1994.

The group headed by Ricardo Alarcon, president of the National Assembly of the People's Government, also included Jose Arbesu, Carlos Fernandez de Cossio, Walkiria Fernandez, and Olga Miranda—all Cuban Foreign Ministry officials.

The purpose of the meeting, which was to review the level of compliance with the agreements signed on 9 September 1994, was accomplished in an atmosphere of frankness and a willingness to work, according to spokesmen from both delegations.

The two sides have agreed in stating that compliance with the fundamental aspects of the agreements is satisfactory, and they have decided to meet again in two months, probably in Havana, to continue with this work.

The agreements include the U.S. commitment to grant no less than 20,000 visas in one year, the deadline for which expires on 9 September, to Cuban citizens interested in traveling to that country.

An additional number of special visas are to be granted to resolve applications accumulated as a result of the failure by the United States to comply with a 1984 agreement.

Cuba assumed the obligation to make every effort to prevent an illegal exodus of Cubans to the Florida coasts.

The U.S. Government made itself responsible for preventing by all possible means the illegal arrival of Cubans.

The document states the two sides will oppose and adopt measures against people who employ violence, hijack airplanes, or seize ships to leave illegally.

Spokesman Denounces Pentagon Plan for Visits to Rafters

PA2004200795 Havana PRENSA LATINA in Spanish 1842 GMT 20 Apr 95

[FBIS Translated Text] Havana, 20 Apr (PL)—The Cuban Foreign Relations Ministry today denounced a Pentagon plan allowing for visits by family members to rafters confined at the Guantanamo Naval Base, and it described this move as running counter to U.S. policy and a violation of the island's sovereignty.

In his weekly meeting with the media, Foreign Ministry spokesman Miguel Alfonso recalled restrictions that Washington has imposed on visits by family members between the two countries.

In response to questions by domestic and foreign reporters, Alfonso said this would be a complete contradiction if we take into account the restrictions the U.S. Government adopted regarding trips to Cuba by relatives residing in the United States.

It would be irrational to facilitate trips to Guantanamo if there are restrictions on coming here, he noted after pointing out that this would constitute another attempt to undermine Cuban sovereignty over that territory (on the eastern side of the island that was illegally occupied by the United States).

As for a recent bilateral meeting on migration issues in New York, Alfonso reaffirmed that this third round of talks was useful, professional, and positive—an estimation voiced by both delegations.

He described as important the proper implementation of the agreement Washington and Havana adopted in New York in September 1994, as well as the fact that the dialogue on migration issues will be resumed within the next two months, possibly in Havana.

Alfonso also announced that next month Cuban Foreign Minister Roberto Robaina will start a tour of Eastern Europe, specifically of the republics of the former Soviet Union.

Foreign Ministry Criticizes Granting Asylum to 'Assassin'

PA2004200095 Havana PRENSA LATINA in Spanish 1842 GMT 20 Apr 95

[FBIS Translated Text] Havana, 20 Apr (PL)—The Cuban Foreign Ministry today denounced the fact that the United States has maintained its policy of hostility and aggression against the island by granting political asylum to Leonel Macias, who is wanted in Cuba for the murder of a naval officer.

A note released by the Cuban Foreign Relations Ministry (MINREX) points out that it is unbelievable that the U.S. judicial system is hostage to pressures from elements of the lowest moral standards and makes decisions that deviate from the basic rules of penal and international law.

On 18 April a U.S. appeals court confirmed the ruling handed down by an immigration judge in Florida, who granted political asylum to fugitive of the law Leonel Macias, states the note released during a news conference by Foreign Ministry spokesman Miguel Alfonso.

On 8 August 1994 Macias—a Cuban Navy recruit—seized a Navy ship at the Mariel Port for the purpose of illegally leaving the country. In the course of this action he murdered Navy Lieutenant Roberto Aguilar.

According to eyewitnesses, Macias alleged that he had to take a medical certificate to his unit in order to board the ship, and to consummate the seizure he fired twice at Aguilar.

The fact that a court of justice has rewarded this assassin is only understandable within the context of the hostility, aggression, and insanity that characterizes the actions of counterrevolutionary groups and ultraconservative sectors of U.S. society against the Cuban revolution, the document adds.

The note explains that the Cuban Government gave the U.S. authorities all the information and evidence it had against Macias.

The note underscores that Leonel Macias had been added to the long list of criminals, torturers, and murderers of Cuban descent who over the years have found shelter in the United States, taking advantage of the atmosphere of hatred and harassment that prevails in U.S. relations with Cuba.

The Minrex feels that this decision was made, suspiciously, in the middle of migration talks between the two countries, which—it feels—openly proves that the people who exert influence on decisions such as these are not interested in normalizing the flow of migration but in terminating all communication between the two countries.

Says U.S. 'Rewarded' Assassin

FL2004205695 Havana Radio Reloj Network in Spanish 1932 GMT 20 Apr 95

[FBIS Translated Text] The Cuban Foreign Ministry [Minrex] issued a press release today in response to a U.S. appellate court granting political asylum to Leonel Macias, who is wanted in Cuba for the murder of Lieutenant Roberto Reyes Aguilar, an officer of the Revolutionary Armed Forces. The Minrex document points out that the fact that a U.S. court rewarded this assassin is only understandable within the context of the hostility, aggression, and dementia that characterizes the actions of counterrevolutionary and ultraconservative

groups in the United States against the Cuban Revolution. The note goes on to state that it seems incredible that the U.S. justice system is also a hostage to the pressures of elements of the lowest moral value. It adds that Leonel Macias has been added to the long list of criminals, torturers, and assassins of Cuban origin who have found refuge in the United States.

Roundtable Discussion on U.S. Policy on Cuba

FL1904233595 Havana Radio Rebelde Network in Spanish 1730 GMT 14 Apr 95

[Part four of a roundtable discussion on capitalism with journalists Nicanor Leon, Eduardo Dimas, Eddie Jimenez, and Renato Recio of TRABAJADORES newspaper hosted by Osvaldo Rodriguez of BOHEMIA magazine at the Radio Rebelde studio in Havana]

[FBIS Translated Text] [Rodriguez] For the last three days we have been discussing the United States, the diverse policies of the United States and the world, and the state of Capitalism today. Today we will discuss U.S. policy on Cuba.

The latest news from the United States on its Cuban policy relates to a bill in Congress proposed by Congressmen Helms and Burton, entitled: the Cuban Liberty and Democratic Solidarity Act—and as Dimas was saying before the program began, don't worry about us so much. Actually, I think Nicanor should open the discussion on U.S.-Cuban policy.

[Leon] I would like to interject a couple of points before addressing today's issue. Most importantly, from the last Republican administrations of Reagan and Bush to the present, there has been bipartisan agreement on Cuban policy. The other point is that U.S.-Cuban policy is not basically a foreign policy issue; rather—although it sounds peculiar to foreigners—it is essentially a domestic policy issue. Why? Because it has been, and continues to be, largely determined by acquiescence to the influence of the extreme right-wing Cuban-Americans in Miami. The obsession to win over the Cuban Americans in Miami has come to shape this policy in large measure; to try to win the favor of rich Miami Cubans who control the publicity machine in Florida. Florida has the fourth largest number of votes in the electoral college which elects the president of the United States, and therefore the need to win Florida's votes generates this mistaken obsession to win the Cuban vote which, by the way, is not critical to win the state. As such, I stress again that my comrades keep in mind in discussing the other issues, that it is a policy largely tempered by these interests.

[Dimas] On the other hand also, it seems to me that there is a historic tradition—that is to say, the history of Cuban-U.S. relations after the U.S. intervention in Cuba—which has also caused relations with Cuba to be viewed as a domestic policy problem.

[Leon] Yes, that is why I said basically, not uniquely, there are definitely other factors; including what Dimas was saying.

[Rodriguez] As Nicanor so well stated, this is one of the issues both parties agree on. We have already analyzed U.S. bipartisan politics—we noted similarities and differences in their positions—and this is one of the similarities, correct?

[Leon] Essentially they are in agreement.

[Recio] I just wanted to say that this bill is a maximum level continuation of the U.S. blockade against Cuba; like turning the screw one more time when it seems it cannot be tightened any further. I think we should keep in mind that the blockade is old—it has been in place for several decades—and recently there have been certain signs more in tune with the present that reflect the current situation in the world and Cuba. The Torricelli Law was mainly created to tighten the blockade by eliminating all trade with Cuba by U.S. subsidiaries; and by sabotaging, precluding, or at least hindering the arrival of boats and cargo in Cuba, which escalated costs; and by implementing measures against ship owners intending to come into Cuban ports. This was an anti-trade measure in the Torricelli Law, basically against Cuban trade. After the events of August, 1994, Clinton took advantage of the moment, and prohibited Cuba from receiving foreign currency in the form of remittances and relations with the Cuban community in the United States. Independent of the final outcome—which is debatable—it is clear that the objective was to halt the influx of foreign currency. Now Helms and Burton are attempting to do everything possible to obstruct two fundamental processes of the Cuban economy. That is, if Cuba should participate in the world economic system and attract investment, that would clearly make the blockade absolutely systematic. It increasingly seeks to throw roadblocks in the path to development in Cuba.

[Jimenez] I agree with Renato that anti-Cuban actions represent one more turn, tightening down the screw. Specifically in regard to the Helms bill, I think the screw is being tightened in an attempt to involve third nations, the rest of the world, and the international community in the blockade against Cuba. This is one of the main reasons the U.S. president rushed to the UN Security Council seeking an international embargo against Cuba, which ultimately was rejected by the General Assembly.

[Recio] One hundred and one countries voted against the blockade, with the only exceptions being Israel and the United States.

[Jimenez] Yes, this is more bluff [preceding word in English] than anything else, because this seems impossible. However, they are trying to involve third nations. It prohibits credit and financing within the United States to individuals or organizations who own confiscated property in Cuba. It presses the U.S. government to hinder any international credit organization from giving

aid to Cuba, in addition to other measures such as increasing broadcasts from TV Marti. Regarding their attempt to involve third nations, they seek to prohibit imports from nations who buy sugar from Cuba. It is a threat, a warning against nations who maintain economic and trade relations with Cuba.

[Rodriguez] The United States and its policy against Cuba, that is the topic of the roundtable. I believe we should introduce a new subject, because we have already made an extensive introduction.

[Recio] If you allow me, Osvaldo I believe we are already in the heart of the matter. What Eddy said motivated me to talk on this subject. Eddy was talking about the difficulty of implementing the ideas that this bill proposes. Clinton himself has recognized, or has expressed his reservations about the bill, and noted that it could jeopardize national interests abroad. Clinton's response has not been exactly categorical: it has been more ambiguous than anything.

But as Eddy was saying, there are some points that seem almost improbable; they seem almost absurd. For example, one that everyone is commenting on is the one about declaring excludable any person who may have acquired, negotiated, managed, or used properties in Cuba that were, let us say, nationalized. It includes properties of anyone who was a U.S. citizen at the time and Cubans who may have become U.S. citizens since then. Through that meaning, any one of us or our listeners could become an excludable because if you live in a house given to you by the housing reform in Cuba—a house that belonged to one of Batista's murderers—if that murderer became a U.S. citizen, according to this law, he would have eternal rights over that property. The Cuban that lives there now could become an excludable, if we reach the total spirit of the law.

[Dimas] That is totally insane. The bill includes that aspect, but there is another aspect that to me seems a lot more terrible. The bill is aimed directly toward us, but how are you going to propose a world blockade; in other words, ignoring the sovereignty of the entire world, of all the countries and all the nations? That is why Europe and Canada have objected and perhaps many other countries that we may not have heard about.

[Rodriguez] What is your opinion, Nicanor?

[Leon] I agree with Dimas. They propose a world blockade when the UN General Assembly, for three years in a row, has condemned the blockade. Now, the Helms-Burton Bill is directed at trying to avoid investments in capitalist enterprises in Cuba. What they are saying about us seems paradoxical. Now, the comrades were saying that this might be another turn of the blockade on Cuba. Why is it another turn? Because the blockade on Cuba, since 1990 and up until now, is going through a new phase in the historic process since the early 60's. It seeks the same goal it sought back in 1960, not in 1962 as many usually say.

The original goal was to create difficulties in Cuba, above all in the nutritional and medical spheres, in order to create popular discontent so that the people—that is to say, our population—would blame those difficulties on the government headed by Fidel Castro. This has been the basic goal of the blockade ever since its beginning 35 years ago.

[Rodriguez] And while there was a socialist bloc that helped us, its effects were not as harsh as they have been ever since 1990. Since then, it has been strengthened. The objective is the same, except that this time the blockade has been intensified.

[Leon] That is why I was saying that phase—at least the phase by which I divide the process of the blockade, according to my research—begins in 1990 because Socialist Eastern Europe succumbed one year earlier. Furthermore, in 1990, grave difficulties could be seen in the Soviet Union. In 1990, in Miami they began the campaigns telling people to pack their bags and to get ready to go back to Cuba.

Now, going back to what I was saying—and this is something we can see everyday in the U.S. propaganda and its followers—they want to communicate that the problems Cuba is currently facing are not caused by the blockade, because this propaganda is continuously spreading the message that the blockade is virtually nonexistent. That propaganda says that the difficulties that we are currently facing are the product or the result of the failure of the socialist model and of internal mistakes committed in our country. We know that there were internal mistakes. We know of them; we suffer because of them; but to agree with the U.S. propaganda would be to state that the majority of our problems were caused by our internal mistakes and that they are not the consequence of a blockade that has already cost our country approximately \$44 billion in losses. In my opinion, we will never know the full extent of Cuba's losses caused by the U.S. blockade.

[Rodriguez] In a conversation I had with you a few months ago, you said that these figures are very conservative.

[Leon] Yes, because we will never know how much we lost from the seeds that we purchased in Europe. We had to experiment with them in Cuban soil to substitute for the seeds that we used to purchase on the U.S. market. This was a country that was virtually entirely dependent on the U.S. market. Hence, the blockade has been the backbone of U.S. policy towards Cuba during the past 35 years.

[Recio] Osvaldo, I wanted to add that even though this bill, as it has been said here, intends to intensify the international sanctions on Cuba, etc., etc., etc., the objective of the Helms-Burton bill can be seen in real life. The United States is doing the possible and the impossible to deter foreign investments in Cuba, and it uses all kinds of instruments that are very strong. What

they want is for people...[pauses] Forgive me for getting all excited, but these arguments that intend to say that the blockade means nothing in our lives and that it has nothing to do with our sacrifice and our difficulties, are truly insulting, because even the last cent that could help Cuba—product of our own efforts—is sabotaged. Hence, I believe the Cuban people should know, regardless of whether this bill is passed or not, that the United States has already done all it has been able to do to impede investments in Cuba.

[Rodriguez] We are discussing the United States and its policy towards Cuba. Dimas, what is your opinion?

[Dimas] Regarding what Recio was talking about, I believe this bill is a bill that has a certain degree of desperation, a certain degree of arrogance, and it does not take into account the sovereignty of the rest of the world. But one must look at the way in which the Revolution and the party has taken on the task of getting out of the special period and the task of breaking the blockade and projecting abroad, or inserting ourselves in the world. It is proving to be successful.

A recent study, commissioned by the Pentagon, recognizes that this is true. It recognizes that the methods that are being employed are successful. They are not shock methods and yet we are advancing and foreign capital is coming into Cuba.

I have the report here. I repeat, it is an evaluation done by U.S. and Russian academics: six were Russian and eight were North American. The report states—this evaluation, done by 14 U.S. and Russian specialists—contradicts statements made by Republican Congressmen and Cuban exiles in the sense that Cuba is on the brink of chaos and that Castro is about to fall. Castro's position and the change in Cuba seem to be so firm that the study convinced specialists like Nestor Sanchez, under secretary of Defense during President Ronald Reagan's administration, to privately support [as heard] the release of pressure from the embargo imposed on the island, saying: I do not know what the people want. For 36 years we have maintained an embargo against that man and he remains there. I would say that perhaps former President Richard Nixon was right when he wrote, prior to his death, that the embargo is a failed policy.

Therefore, I believe this is the why for their desperation.

[Rodriguez] If Nixon recognized that, just imagine. Well, Eddie Jimenez, what is your opinion?

[Jimenez] I completely agree with what Eduardo and Renato have said. I believe there is a great deal of desperation in this bill. As a matter of fact, I would say that they refuse to listen to the opinion of specialists and to world opinion on the uselessness of the blockade. As a matter of fact, within the very United States, there are very strong and categorical voices that say that this blockade will not achieve anything for the United States.

Just recently we read THE NEW YORK TIMES editorial, which urges the U.S. Government to reflect on the current reality, and not on one that no longer exists, regarding its policy towards Cuba.

[Rodriguez] I would say that entire U.S. press has come together on this position.

[Jimenez] Of course. And these congressmen simply decide to ignore it.

[Rodriguez] Nicanor, what is your view on the matter?

[Leon] I want to add that there is resistance to that policy in the United States. Ever since 1994, we might say that representatives of the main factors of U.S. society—I will just say the main factors because we do not have time to detail who they are—have questioned this policy towards Cuba; including the press, important social sectors, businessmen, etc.

A total of 250 businessmen from 174 firms have traveled to Cuba from the United States, interested in exploring the potential of the Cuban market and worried because they do not have the possibilities that businessmen from Europe, Latin America, and other parts of the world have, due to the blockade. If this great opposition has emerged in the United States...[pauses] After 8 November, there was a reaction by the most conservative sectors, with a project like the Helms-Burton bill. This is an expression of the correctness of the policy implemented by our government in the sense of resisting and developing ourselves. If we have gotten this far and we see the enemy taking measures, properly described by my comrades as insane, it is because the policy of resisting and developing ourselves bore fruit.

[Rodriguez] I believe we are winning in this battle, although we are suffering the consequences of the blockade. But undoubtedly, our people are demonstrating that we are winning.

[Leon] I believe that the mere fact that a bill with the characteristics here explained exists, namely the Helms-Burton bill, supports this statement.

[Dimas] Yes, because otherwise it would not be necessary.

[Leon] Exactly.

[Recio] That is on one hand. On the other hand, this bill expresses that the United States has done all it can from the point of view of what they call the embargo. They have no alternative but to call—without any real possibilities of obtaining it—for an international blockade. After this, what else can the United States do to turn the screw?

[Dimas] Furthermore, they are even trying to bring us to the same plane that they brought Iraq after the war, and the same plane to which they brought Yugoslavia: a world blockade.

[Jimenez] Dimas, just the other day I was preparing a report for Radio Rebelde on the similarities between Vietnam and Cuba's situation. We saw how those who blockaded Vietnam eventually had to lift that blockade. Reality made them see that they were going to be left out of an important market and an important zone of investments.

I believe that, in the near future, we will witness something similar. The United States will have no other option if they do not want to be displaced by European capital and capital from other parts of the world. If they do not want to be displaced, they will have to lift the blockade they erected.

[Leon] Eddie, in the lifting of the blockade on Vietnam, the main push was by the U.S. business sector.

[Jimenez] Of course.

[Leon] And that is something we cannot forget.

[Rodriguez] We are discussing the United States and its policy towards Cuba. Before I turn the time over to Renato, for the final segment of this program, I would like ask: If the State of Florida, and the Cuban exiles, did not support Clinton during the election, why does he support this policy to intensify the blockade on Cuba? Nicanor, your opinion please. I know one would have to ask Clinton himself but I wanted to hear your opinions on the matter.

[Leon] Well, as far as supporting the Helms-Burton bill, Clinton has not defined himself. In other words, he has had an undefined attitude towards the bill; but on the official plane, he has not defined the White House position regarding this bill. It is my opinion that we would be in danger if the maneuver of introducing modifications to the Helms-Burton bill advances. There is an attempt to try to amend this legislative freak [engendro] to make it more passable. It is a process that we must observe because the introduction of those modifications could make the bill more digestible, which is even worse. In essence it is a Torricelli II. With modifications or without modifications, it would be a new bipartisan law to intensify the blockade, based on new modalities and formalities that would be introduced into the bill.

[Recio] I am glad that Nicanor introduced this concept, because, although we can be optimists in historic terms and in terms of the near future as far as the blockade being destroyed, at some time we must be realistic.

[Rodriguez] Just a few months ago, there were some who were saying that it would not last more than six months.

[Recio] No. But...

[Leon, interrupting] I do not believe that.

[Rodriguez] Neither do I, but I wish it were true. [chuckles]

[Recio] I believe we can be optimistic because we have a people and a strategy that have demonstrated their capacity for resistance and development. But Nicanor was saying that the bill could be passed partially. One could even think that there are three variants regarding the bill: either it is passed entirely, partially, or completely rejected. I doubt very much that the latter will be the case.

[Dimas] It would be the best.

[Recio] Yes, it would be the best variant. But even though it would be the best and the most optimistic of all three, undoubtedly, in one way or another, these things always bring negative consequences for the reactivation of the Cuban economy because it creates an atmosphere. We must not forget that the United States is a super powerful nation, which creates an unfavorable atmosphere for an investor to invest in Cuba. One way or another this slows down the potential rhythm of investment dynamics and the recovery of the Cuban economy. That is something we must take into account.

[Leon] Without having been approved, it is already affecting us in the completion of certain transactions in the international sphere; therefore, one must consider what could happen if that law is approved. Undoubtedly, this area would be affected. Nevertheless, in 1990, they told everyone in Miami to pack their bags and to get ready to go back to Cuba. When the Torricelli bill was approved, it seemed like everything was coming to an end. Nevertheless, we are still here and we continue to advance.

[Rodriguez] Of course, that is the optimism of all the Cuban people. Thanks to Nicanor Leon, Eduardo Dimas, Eddie Jimenez, and Renato Recio for their participation in the round table.

Roundup of Economic Developments

FL2004231995

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 20 April.

The Castellanos gold plant, in Minas de Matahambre, Pinar del Rio Province, will meet its projected production goal of 35 kg per month by May. Technical problems have prevented the plant from extracting no more than 90 kg of gold thus far. Those problems have been resolved. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Apr 95)

The sugar refinery at the Ecuador agroindustrial complex, in Ciego de Avila Province—reportedly the only one of its kind in the province—has met its sugar production goal and increased yield by 12 percent due to the workers' so-called decisive efforts. Grinding operations will continue. (Havana Radio Rebelde Network in Spanish 1155 GMT 18 Apr 95)

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The Isle of Youth has concluded its biggest and most successful potato harvest, producing 63,000 quintales of potatoes in approximately 10 planted caballerias with a yield exceeding 6,420 quintales per caballeria. (Havana Radio Rebelde Network in Spanish 1700 GMT 18 April 95)

The 30 de Noviembre contingent, in Pinar del Rio Province, aims to plant 84 caballerias of sugarcane by May. The 800 men, divided into 18 brigades, have cut 6 million arrobas, surpassing their sugarcane delivery goal. (Havana Radio Rebelde Network in Spanish 1700 GMT 18 Apr 95)

Havana construction workers have experienced the most productive March since the special period began, despite economic problems: They produced a record 14.1 million pesos worth of goods. Their goal in April is to produce 16 million pesos worth of goods. Construction workers completed 31 buildings in March, earning over 11 million pesos. (Havana Radio Rebelde Network in Spanish 1700 GMT 19 Apr 95)

The Cuban orthopedic health care sector earned \$6 million in 1994, mainly from treating foreign patients and from sales of orthopedic instruments manufactured and exported by Havana's Frank Pais Hospital. The sector is almost completely self-financed. (Havana Radio Rebelde Network in Spanish 1700 GMT 20 Apr 95)

The first 250-megawatt generator at the new Felton thermoelectric plant, under construction in Mayari Municipality, Holguin Province, is expected to be complete and on-line by this summer to improve service to eastern Cuba. Electricity currently supplied to the area from Santiago de Cuba and Nuevitas is insufficient. (Havana Radio Rebelde Network in Spanish 1155 GMT 20 Apr 95)

The Dios Rios complex, in Santiago de Cuba Province, and the El Argeo Martinez and El Salvador complexes, in Guantanamo, are the most recent of the 43 agroindustrial complexes to have met sugar production goals to date. It is expected that Santiago de Cuba, Guantanamo, and Sancti Spiritus Provinces will meet production goals by May and will begin spring planting. (Havana Radio Rebelde Network in Spanish 1155 GMT 20 Apr 95)

Secretariat: Conditions for Talks With EZLN Not Met*PA2104012295 Mexico City NOTIMEX in Spanish
2146 GMT 20 Apr 95*

[FBIS Translated Text] Mexico City, 20 Apr (NOTIMEX)—The Mexican Government Secretariat, through its representatives in Chiapas State, has stated the necessary conditions to begin the peace talks with the armed group scheduled for today have not been met.

In a communique, the Government Secretariat has stated it has received three telephone calls from Samuel Ruiz, president of the National Mediation Commission (Conai), who has said the contingents have not been mobilized to set up security perimeters around the area where the talks would be held.

The secretariat has stated the Conai president will continue working so the dialogue, scheduled for 0900 (1500 GMT) with the Zapatist National Liberation Army (EZLN) in the town of San Andres Larrainzar, can begin.

The negotiations, which should have started this Thursday, between representatives of the government and the armed group operating in Chiapas State were evidently delayed due to disagreements over the logistics of security.

The presence of hundreds of Indian followers of the EZLN, who have established themselves in the area of the so-called "security perimeters," delayed the beginning of the talks.

The Conai president has visited the security perimeters surrounding the place of negotiations in order to reestablish satisfactory logistical conditions.

Conai on Security Measures for Government-EZLN Talks*PA2004204595 Mexico City NOTIMEX in Spanish
1747 GMT 20 Apr 95*

[FBIS Translated Text] San Cristobal de las Casas, 20 Apr (NOTIMEX)—It was reported here today that the National Mediation Commission (Conai) will remove anyone who lacks accreditation from the peace and buffer zones in order to avoid conditions that are adverse to the dialogue.

Ambassador Gustavo Iruegas told NOTIMEX that the mediation group wants the talks—which will begin between the government and the Zapatist National Liberation Army (EZLN) on 20 April at San Andres Larrainzar, Chiapas—to be held without incident.

The Conai decision was adopted after the government's negotiating commission that will participate in the dialogue reported yesterday that conditions that adverse to the negotiations were being artificially created.

According to the communique issued by the Government Secretariat on Wednesday, "the gathering of EZLN

supporters in San Andres Larrainzar....does not contribute toward the atmosphere of detente that the parties pledged to advocate."

Iruegas added: "It was clearly seen that (the EZLN supporters' arrival) was a presence planned with a purpose that differs from the one sought by the meeting and the dialogue."

The presence of peasant groups went against the goals agreed upon for the creation of peace zones, making security impossible under these conditions, so the Conai was asked to intervene, Iruegas emphasized.

The diplomat commented that the government representatives stated their concern because the pledges assumed at the San Miguel meeting, on 9 February, were violated.

The basis for the protocol for dialogue and the negotiation of an Agreement for Harmony and Peace with Justice and Dignity were signed at the meeting.

He recalled that the agreement stated that Mexican Red Cross members would be located at the first safety zone; members of the Larrainzar community and nongovernmental organizations would be located in the second zone; and disarmed military police would be located in the third zone.

Given the situation, the Harmony and Peace Commission (Cocopa) assumed its responsibility of guaranteeing safe conditions for both sides, Iruegas added.

Meanwhile, the EZLN's Commander "Tacho" said the rebel delegation that will participate in the talks feels optimistic about the event. According to Conai President Bishop Samuel Ruiz, the event might last two days.

The EZLN representative arrived at San Andres Larrainzar coming from the ejido La Realidad, Las Margaritas Municipality, accompanied by Conai members Juan Banuelos and Oscar Oliva and Deputy Cesar Chavez, a member of Cocopa.

Commander Tacho was the first EZLN representative to arrive at the site of the talks, amid strict security measures enforced by members of nongovernmental organizations and local residents.

\$423.076 Billion Earmarked for Chiapas Development*PA2004160495 Mexico City NOTIMEX in Spanish
0402 GMT 19 Apr 95*

[FBIS Translated Text] Mexico City, 18 Apr (NOTIMEX)—Dante Delgado, appointed coordinator for the Social Welfare and Sustainable Economic Development Program for the State of Chiapas, announced today that resources totaling 2.75 billion new pesos (\$423.076 million) will be earmarked for development in Chiapas.

The program coordinator said he will meet Tuesday with Julio Cesar Ruiz Ferro, acting governor of Chiapas, with

the purpose of advising him of the progress achieved this year in investment projects for that state (southeastern Mexico).

Interviewed at the city airport before leaving for Tuxtla Gutierrez to participate in the 20 April negotiations in San Miguel Larrainzar, Delgado said the "most pressing needs" of the people will be met.

He said the federal government is making every effort to channel economic resources to create highway infrastructures, school investment projects, and production programs.

He said an intense program will be carried out in Chiapas to create jobs through highway projects, because it is indispensable to channel resources toward productive activities and to stimulate and support the people of Chiapas.

Delgado said some projects are scheduled for future implementation, such as the project of "100 bridges that will permit improving communications in remote regions."

The conflict in Chiapas and the economic crisis is "drawing attention" to the fact that productive mechanisms must be sought to "step up commercial activities in Chiapas," he said.

Regarding this coming Thursday's peace talks, he said the federal government has shown its readiness to negotiate within the terms established by the law on dialogue, reconciliation, and dignified peace in Chiapas.

Also, in Trinitaria, Chiapas, Governor Julio Cesar Ruiz reported today that several emergency programs will be carried out to partially overcome the backwardness affecting the state border region.

On chairing the meeting of conciliation and promotion of the state development plan for the border region 1994-2000, he said the programs will help 400,000 inhabitants of eight municipalities that have a high level of abandonment compared to other state regions.

He said the projects include reforestation to protect 30,000 hectares and requesting federal authorities to expand irrigation areas to boost the production of basic grains and melon.

Ruiz Ferro said they will also conduct an intensive livestock raising program to take advantage of pastures and will also continue construction of the border highway.

The governor of Chiapas added that they are seeking to create the infrastructure to exploit the zones of Comitán, Tenam, Cichultic, Junchavín, Montevello, and Las Lagunas de Colón.

He said a corridor of maquiladoras [assembly plants] will be consolidated in the area and a regionalization process of public health, education, and literacy programs will be carried out.

The Chiapas border region is made up of the municipalities of Chicomuselo, Frontera Comalapa, La Independencia, Las Margaritas, Socoltenango, La Trinitaria, Tzimo, and Comitán.

In the meantime in Tuxtla Gutierrez, the 57th legislative assembly, during an extraordinary session today, approved sending to the Congress of the Union the draft initiative requesting that the VAT [value-added tax] be reduced 10 percent, thus extending preferential treatment to Chiapas.

Francisco Sau Lara, president of the Chiapas Congress, said the reduction of the VAT from 15 to 10 percent in Chiapas State is a matter of the federation's competence.

"The Chiapas legislators have great illusions. Hopefully this request will be well received by the congress and will accord us preferential treatment status," he stated.

The draft initiative by the local chamber of deputies was submitted on the 17th to the Government and Constitutional Affairs Commission for analysis. The initiative was approved together with three other initiatives.

The proposal by the legislators notes that the VAT, as an indirect tax, in no way considers the contribution capacity of individuals or the dire effect of the tax on persons with lower incomes.

Therefore, they demand that the VAT be reduced to 10 percent and that Chiapas be accorded preferential treatment, regarding it as a state far removed from the principal production centers of the country.

Migration Supervisory Group To Operate at Southern Border

PA2004172295 Mexico City NOTIMEX in Spanish
0040 GMT 20 Apr 95

[FBIS Translated Text] Tapachula, 19 Apr (NOTIMEX)—National Migration Institute (INM) Commissioner Fernando Solís Camara reported here today that a migration supervisory group will begin to operate at this Mexican border site in the second half of the year.

The official said the group will verify that the General Population Law is being enforced in accordance with the law and respect for human rights, and this will require the participation of state and municipal authorities, as well as civilian organizations.

Upon inauguration of the People's Consultation Forum on Migration Policies, Solís Camara indicated that the group will differ from the Beta group that operates at Mexico's northern border because the situation at the two borders is different.

He said: "The two groups have a similarity—their basic goal is to protect migrants from the violence and crime they are subjected to at the southern and northern borders."

He said approximately 8,000 foreigners cross the southern border and enter Mexico each month, with or without documents, and they try to remain in the country or use the national territory as a bridge to reach the United States.

Solis Camara added: The Mexican Government is quite interested in protecting Mexico's border, based on the legislation applicable to migration issues.

"The plan is to fight the illegal aliens' traffic through the joint work of the Government, Finance, and Communications Secretariats, as well as the Attorney General's Office."

Secofi: Strategic Commercial Alliances Promoted

PA2004171395 Mexico City LA JORNADA in Spanish 19 Apr 95 p 46

[Article by Patricia Munoz Rios]

[FBIS Translated Text] Strategic alliances between national and foreign investors of the commercial sector will be promoted during the current six-year term, Herminio Blanco Mendoza, secretary of commerce and industrial development (Secofi) has said after reaffirming that there is trust abroad in the economic program and future of Mexico.

The official made this statement during the inauguration of the third self-service Carrefour Store in the federal district. He noted that strategic alliances between national and foreign companies will benefit national consumers and will promote exports.

In his opinion, the fact that strategic alliances are being established and that foreign investors are keeping their plans in Mexico—for example, this French firm will expand to Guadalajara, Toluca, and Leon—is an important "sign of trust in Mexico" and in the adjustments that are being implemented, but above all, it is a sign of trust in the country's future.

Blanco Mendoza assured that alliances between leading companies in the commercial sector, such as this one between Carrefour and the Gigante Group, "ensures that the Mexican consumer will have greater purchasing choices."

Carrefour Director Guy Pons provided figures. He said that in 1994 this firm handled \$27 billion worldwide and added that a considerable demand is expected from the Mexican market, because a commitment was signed with the Office of the Federal Attorney for Consumers to maintain the lowest prices in the local market.

The secretariat announced that popular consultation forums on commercial and industrial policy will be held starting this week to establish a "master" plan that will govern Mexico's economic, political, and social life for the next six years.

Those forums will take place as follows: Forum on promotion of the mining industry, in Chihuahua, Chihuahua State, on 19 April; forum on local commerce, supplies, and consumer protection in Morelia, Michoacan State, on 20 April; forum on international commercial negotiations in Mexico City, Federal District on 24 April.

The forum on industrial policy and exports promotion in Monterrey, Nuevo Leon State, will be on 25 April; in Guadalajara on 26 April and in Toluca on 27 April; and the forum on economic deregulation to promote competitiveness of micro, small, and medium-sized businesses in Puebla, Puebla State, will be on 28 April.

Representatives of committed sectors, especially direct producers, as well as their leaders, and industrial chambers, research organizations, and public officials have been invited to participate in these forums.

Secofi pointed out that in all cases it will seek to revise laws and regulations that govern the various productive activities and the activities of the institution itself, because one of its main goals is to deregulate all areas.

In areas such as mining that pertain to natural resources, the discussion will include the definition of measures to ensure a rational exploitation of such resources nationwide in the coming years.

The forums, which will take place from 19 to 28 April, will serve as a conduit for the presentation of proposals for the drafting of a national development plan, which will govern Mexico's economic, political, and social life in the current six-year term, Secofi added.

Banker Concerned About More Monetary Restrictions

PA2004185195 Mexico City EL FINANCIERO in Spanish 19 Apr 95 p 9

[Report by Alicia Salgado—words in italics as published]

[FBIS Translated Text] The \$3 billion credit line *swaps* [previous word in English] agreed upon with the U.S. Government and expected to be received this coming Friday will allow a "respite to the shortage" of resources and will to a degree cover the approximately \$3.959 billion worth of Tesobonos [treasury bonds] maturing in the next four weeks.

Nevertheless, the financial sector is still concerned about the effect the *swaps* [previous word in English] will have on domestic interest rates considering that the mechanism entails an exchange of U.S. dollars for pesos, and the Bank of Mexico [Banxico] will have to "swap" the equivalent of \$3 billion in national currency, nearly 19 billion nuevos pesos, with the U.S. Federal Reserve.

Financial sector specialists who were consulted agreed that "the central bank cannot simply issue such a significant amount without affecting the monetary base, therefore what it has to do is to issue government securities

that will allow it to obtain liquidity from the system, which at the same time will cause an increase in the cost of funds in Mexico. In other words, an increase in monetary restriction can be expected during the next weeks together with a rise in domestic interest rates."

During a meeting of banking representatives that took place on Monday night it was decided, just as they had done during the second week of March, to continue supporting the strategy of "not pressuring" the money market in order to prevent the 14-day maturity Treasury Certificates (Cetes) from exceeding 81 percentage points, or the 28-day maturity certificates from surpassing 85 points.

According to information gathered with respect to issues discussed during the meeting, the country will not likely to fall into another financial crisis due to the fact that the exchange rate remains stable (yesterday the interbank rate totalled 6.19 percent), and liquidity pressures can be controlled if speculative purchases in the wholesale market can be prevented.

They added that as the U.S. dollar declines, the entry of foreign capital that prompted the market's rising currency exchange "rally" [previous word in English] will also lose its pace and constancy thus pressuring the market even more. For this reason there is need for an action plan such as the one the banking representatives—as represented by their respective treasurers—have initiated in order to contain, as much as possible, any interest rate pressures, with the expectation that a massive portfolio restructuring program will begin shortly.

According to the Finance Secretariat's official Tesobonos maturity calendar, nearly 3.61 billion [currency not specified] of this indexed instrument will mature between 20 March and 11 May. Also scheduled to mature during the same period are nearly \$398 million worth of Euronotes, Eurocertificates, and bonds listed in various markets by Mexican private and public agencies, in addition to bank debts amounting to \$500 million in revolving credit or certificates of deposit.

This means that \$3.959 billion are scheduled to mature in the next four weeks.

The total number of Tesobonos maturing during the rest of April, May, and June amounts to \$5.553 billion, while maturing Euronotes, international notes, *medium term notes*, [previous three words in English] private market placements, and bank debts amount to an additional \$1.200 billion.

Bankers Association President on Accounts Due Portfolios

PA2104035395 Mexico City LA JORNADA in Spanish
19 Apr 95 pp 1, 48

[Report by Roberto Gonzalez Amador]

[FBIS Translated Text] Jose Madariaga Lomelin, president of the Mexican Association of Bankers [ABM], said yesterday that banks' accounts due portfolios will increase less than it did between January-March, when it increased by approximately 35 billion new pesos, despite the fact the behavior of the national economy will remain recessive during the second quarter of this year.

After a meeting between bank owners and Finance Secretary Guillermo Ortiz, the bankers president said during a news conference it is expected that the accounts due portfolios will do better during the second quarter of this year. He said: "Although the following months will remain difficult ones, we now have restructuring charts we did not have during the first quarter. I believe the growth rate of the accounts due portfolios is dropping."

Regarding the progression of the Mexican economy after the crisis erupted, Madariaga said: "We are far from being able to make bells signal calm."

The country is going through a difficult situation and has severe problems, he said, adding, however, we have now determined what factors are producing unbalances, contrary to what happened during the first quarter, and, therefore, we can better attack them.

This economy, Madariaga said, "will continue going through a painful process, but we can now say the measures adopted during the first quarter, the latest of which was the emergency program, are beginning to indicate the expected results."

As the bankers president sees it, the "signs" indicating the emergency program was effective are: the stabilization of financial markets, with the peso's exchange rate vis-a-vis the dollar remaining high without abrupt alterations; interest rates "higher than what is desirable" but without jolts in the past three weeks; and a securities exchange market "with an increase trend."

He added: Another result "is the change of opinion about Mexico abroad. The tone of foreign analysts and authorities, especially in the United States, has changed much in recent weeks."

The bankers president said the states' debts with credit institutions amount to 20 billion new pesos. He said a plan to restructure the debts of federal organizations will be implemented in the next few days.

Madariaga said agreements to restructure debts have been signed with the governments of the states of San Luis Potosi, Yucatan, Chihuahua, Michoacan, Baja California Sur, and Sinaloa. The negotiations with the states of Veracruz, Oaxaca, Zacatecas, Hidalgo, and Quintana Roo will conclude this week.

Madariaga said the resources generated by the Retirement Savings System as of August, approximately 30 billion new pesos, could be invested in investment societies if this is what the workers and their enterprises decide to do.

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According to Madariaga, all the private banks, at the end of the first quarter of this year, have complied with the capitalization and preventive reserves requirements of the National Banking Commission, and, therefore, no additional resources will be necessary for the time being.

IMMPE President: Government Plan Impedes Growth

PA2004175295 Mexico City EL FINANCIERO in Spanish 19 Apr 95 p 30

[Article by Isabel Becerril]

[FBIS Translated Text] Jorge Kahwagi Gastine, president of the Mexican Institute of Medium and Small Industries (IMMPE), has said that with the implementation of emergency measures, the federal government is only slowing down growth and distorting the economic process.

Currently, the government's "number one priority" is to reduce inflation, for which reason it has neglected the reactivation of the economy. Because of this, instead of creating new jobs, companies are turning to the underground economy.

Kahwagi said the certain government sectors are not addressing the country's crisis, "they are only protecting their own jobs."

The first quarter was very difficult for the manufacturing sector, and the second quarter will be worse. It is estimated that the unemployment generated in the beginning of 1995—400,000 persons unemployed—will double in the period from June to April.

Regarding the productive apparatus, Kahwagi said that according to an IMMPE study, there are currently 2,312,911 formal companies, which employ 25,177,467 workers. Meanwhile, 2,658,406 companies work on an irregular basis employing 7,189,500 Mexican workers.

Kahwagi specified that among the irregular companies, 1,653,060 do not have their own site, but work out of garages, apartments, or on street corners, while 1,005,316 of these companies have their own sites.

The IMMPE report indicates that 271,167 manufacturing plants work in a formal manner and employ 3,263,663 persons. Meanwhile, 326,584 companies work on an irregular basis.

Kahwagi emphasizes that in only 18 months, 1.5 million workers have left their jobs to join the ranks of transient workers.

Jorge Kahwagi, the former president of the National Association of Manufacturers acknowledged in a news conference that the situation has not yet developed into a social problem. However, the underground economy allows many persons to have an income because the 1 million jobs Mexico needs are not being created; on the contrary, unemployment is increasing.

Trade Surplus With U.S. Reaches Historic Level

PA2004122295 Mexico City NOTIMEX in Spanish 0032 GMT 20 Apr 95

[FBIS Translated Text] Mexico City, 19 Apr (NOTIMEX)—The Commerce Secretariat today reported that Mexico's trade balance with the United States registered a historic profit in one month as the February trade surplus amounted to \$1.25 billion.

The secretariat indicated that, according to U.S. Government data on trade, Mexican exports increased by 31.5 percent in February as compared to February 1994 exports. This figure represents twice the amount of exports the rest of the world sent into the United States, the bulletin the secretariat issued stated.

According to the bulletin, U.S. exports to Mexico dropped by 4.2 percent during the same month, while U.S. exports to the rest of the world increased by 24 percent.

The Commerce Secretariat explained that based on U.S. Trade Department data, Mexico had a \$2.114-billion [figure as published] trade surplus with the United States in February 1995, as opposed to the \$373-million surplus registered one year earlier.

This surplus means that Mexican businessmen are taking advantage of NAFTA and that it is one of the first good results of the economic adjustment that the federal government has devised, the secretariat concluded.

Guatemala

Former Defense Minister on U.S. Suit

PA2004225795 Guatemala City LA REPUBLICA in Spanish 17 Apr 95 p 5

[Interview with former Defense Minister General Hector Alejandro Gramajo by reporter Ramon Hernandez S. on 16 April in Milpas Altas, Sacatepequez—first three paragraphs are introduction]

[FBIS Translated Text] Milpas Altas, Sacatepequez—General Hector Alejandro Gramajo, the former defense minister who is now a presidential candidate, was sentenced on 12 April by the Boston Federal Court to pay \$47.5 million in compensation to a U.S. nun, Diana Ortiz, and nine Guatemalans for human rights violations. Gen. Gramajo said he will not pay that amount because he is innocent and victim of a campaign to ruin his name.

We interviewed Gen. Gramajo on 16 April at the Monaco Estate, located 36 km from Guatemala City, where he went with his family on a "spiritual retreat" because he was calm and not worried as the suit "is something he expected."

The court's sentence against presidential candidate Hector Alejandro Gramajo is the result of charges that he is responsible for the murder, torture, and disappearance of thousands of Guatemalans. He is also charged with participating in the rape, torture, and defamation of a nun, Diana Ortiz, in 1989. The following are the most relevant aspects of this interview.

[Hernandez] Will you pay the amount established by the U.S. Federal Court?

[Gramajo] I do not accept a debt over 200 million quetzales, nor do I accept any blame because I am innocent. This is political vengeance that seeks to affect my career as I am seeking the presidency of the Republic in this year's general elections.

When I heard the radio report that said I had to pay \$47.5 million, I did not know whether to cry of shame or laugh because it is so ridiculous. This is simply a case of political vengeance by a group in solidarity with the Guatemalan guerrillas and which cannot get over the fact the armed rebels have been defeated in Guatemala.

I am sentenced to pay 235 million quetzales based on the current exchange rate. Can you imagine how much Robert McNamara, the former U.S. secretary of defense, would have to pay Vietnam, without even taking into consideration that the U.S. Army was an invading army while I was the secretary of defense of a country that was being attacked by the rebels?

[Hernandez] Why do you think that sentence is political vengeance?

[Gramajo] Because among the Latin American generals, Gramajo represents an innovator who added the aspect of political war to the struggle against the rebels and which was very successful. During my tenure, we obtained support from the U.S. Government in military assistance—which had been cancelled for more than 10 years—as well as political support.

Any doors I opened in Washington were doors that were later closed to these groups in solidarity with the guerrillas. Those groups are led by pseudojournalist Allan Nairn who was a former Peace Corps volunteer.

According to the reports I have received, Allan Nairn was expelled from Guatemala by the U.S. Embassy because he was involved with the rebels in the early 80's. He then developed something personal against me and has been organizing all of these actions in the United States.

The nun Diana Ortiz is a victim of all that; she has no autonomy because she lost all judgment when she was manipulated by these groups in solidarity with the guerrillas who only seek to ruin the prestige of the Armed Forces.

[Hernandez] What do you think is the truth in the case of the nun Ortiz?

[Gramajo] I am the most interested person in learning what happened to the nun Diana Ortiz who claims she was raped. There is something missing in that case, and I think my biggest mistake was that—because I am a good man—I made efforts so that she could leave the country without testifying.

Gramajo is involved in that because he is a good man and because he is Catholic. I urged President Vinicio Cerezo Arevalo at that time to allow her to leave the country without testifying before a judge.

It is common knowledge in La Antigua that the nun Ortiz was seen the night before at about 2300, wearing jeans and leaving the Belen Guest House. She was then seen visiting various night spots. During a meeting held some time later at the Uruguayan Embassy, I learned that the nun had been kidnapped.

She showed up the following day and told Ambassador Thomas Stroock that she wanted to leave Guatemala. She was crying and this is where I come in. Since I am a good man, I asked Cerezo to let her leave the country without testifying before a judge. She then left.

Ambassador Stroock assured me that Miss Diana Ortiz was well and that her only problem was that she was very nervous. However, as soon as she arrived in the United States, she created a big scandal and claimed she had been raped. She also said many other lies, such as saying that she had been thrown into a pit with cadavers and rats.

All I know is that the nun Diana Ortiz went out the previous evening and not on the morning that it was said

she disappeared. She was in La Antigua and later she showed up at the Nunciature in Guatemala City.

[Hernandez] Will you initiate some legal action?

[Gramajo] I am seriously considering the Office of the Human Rights Ombudsman and not the regular courts, because it has an excellent credibility. I have been slandered, my name has been dragged through the mud, and my rights have been violated.

The problem is that anyone feels like he can ruin us merely because we come from a poor country. However, those days are gone and we have our rights. I will not allow my rights to be trampled by a small group of U.S. people who are losers and make a living out of ruining the image of honest persons like me.

[Hernandez] Is your presidential campaign affected by this suit?

[Gramajo] That is something I have not yet evaluated, but I believe this campaign has been strengthened rather than hindered. I am calm, I continue to work for the country that I love and which I will continue defending, come what may. Here, the guerrillas will never win; they have already been defeated.

Fecaica Urges Repeal of Standardized Tariff

PA2004140395 Guatemala City SIGLO VEINTIUNO in Spanish 19 Apr 95 p 47

[Communique issued by the Federation of Central American Industrial Chambers and Associations, the Salvadoran Association of Industries, the National Association of Honduran Industrialists, the Nicaraguan Chamber of Industries, the Costa Rican Chamber of Industries, and the Guatemalan Chamber of Industries to Guatemalan President Ramiro De Leon Carpio; place and date not given]

[FBIS Translated Text] As a result of the issuance of the government decree establishing a single, 10 percent customs tariff on all imports from third countries, explain the following:

To the President of the Republic of Guatemala:

1. Fecaica [Federation of Central American Industrial Chambers and Associations], aware of its historical responsibility and its strategic duty in the regional socio-economic development process, has explained to the heads of state of the Central American countries about the absolute need to ensure that regulations each country adopts are compatible and respond to commitments made and agreements signed at the regional level.

2. Obviously, the UNILATERAL decision to implement a single, 10-percent customs tariff violates the legal standards of the region. It specifically transgresses the Agreement on the Central American Customs and Tariff System, and it unduly invokes the Safeguard Clause.

3. In light of a major commercial opening and the possibility of Central America incorporating into the economic globalization process, GOVERNMENTS CANNOT ACT IN AN IMPROVISED FASHION. They need a process of consultations, consensus, and decisions while respecting the Central American legal and institutional framework.

4. Indicators that reflect regional socioeconomic underdevelopment demand a large infusion of private investment and the development of productive activities in an atmosphere of stability and legal certainty, thereby encouraging the Central American production process to become competitive in the face of an ever-changing international market.

5. The 10-percent tariff standardization undoubtedly has an impact on Guatemala's competitive and exporting abilities, levies a discriminatory tax on other countries in the region, creates deviations in the trade currents, pressures prices to move higher, erodes the GDP, and, of course, increases the trade deficit.

6. Because of the aforementioned reasons, Fecaica, in keeping with the commitments made by the regional governments, and with a tendency to move toward new integration phases based on stable legal and economic foundations, RESPECTFULLY ASKS THE FOLLOWING OF THE PRESIDENT OF THE REPUBLIC OF GUATEMALA:

A. Repeal the government decree that created the single, 10 percent tariff; and

B. Continue with regional efforts to reach a COMMON EXTERNAL TARIFF, which is a basic element within the Central American consolidation process.

Central America, April 1995

President Comments on Effects of Tariff Standardization

PA2004174395 Guatemala City Teleonce Television in Spanish 0400 GMT 19 Apr 95

[Report from the "Telepress" newscast—broadcast in progress]

[FBIS Translated Text] ...sectors linked to the Chamber of Industries and insisted that many factories might possibly shut down because of the tariff standardization. On 18 April, President Ramiro De Leon Carpio addressed these concerns, as well as statements attributed to the finance minister on the repercussions this measure may have on the exchange rate.

[Begin recording] [De Leon] I will begin with the last part of your question. It is untrue that she admitted that there was a devaluation. She explained it is but one of the negative effects that the committee or the economic cabinet made me see. However, the president of the Bank of Guatemala [Banguat] will comment on the issue, but for the time being, the quetzal has not fluctuated

since before Holy Week. Even after the measure was taken, the quetzal has selling at between 5.77 and 5.80 to the dollar and has been purchased for 5.65. In short, it is untrue that she admitted there was a devaluation. In the statements she gave to this morning newspaper, she explained that all of these effects could occur if we fail to take corresponding complementary measures. However, because we are indeed taking them, I do not foresee any problems whatsoever.

I will take advantage of this opportunity to say that the media have a great responsibility to inform the public and not to alarm people. Nevertheless, I believe this is what the media have been doing. In many cases, they have even contributed to preventing the measures from having any negative effects. [sentence as heard] I repeat: I am very calm in this regard. Banguat reports... [pauses] I talked to the Banguat president 15 minutes ago. He will deliver a message to the nation. The information has not been altered, and there is no problem in this regard.

As for the remarks made by certain members of the Chamber of Industries, a measure of this nature, which is part of an overall economic policy and, as is the case with all decisions and actions, does have certain effects. This is only logical. Logically, some sectors are bound to be affected.

Nevertheless, what we have to understand here is the general macroeconomic benefit that will encompass the whole Guatemalan nation. In this regard, we are very confident, and we must instill this certainty that the measure, along with the complementary actions we will carry out, has very positive effects. It is a daring and progressive measure at the Central American level. It does not do away with integration, because there is a safeguard clause allowing the countries, as Costa Rica and El Salvador have done, and as Guatemala is now doing, to temporarily and extraordinarily take these kinds of measures. This reason is why we do not believe that the measure will have negative effects at the national and Central American levels. The resulting behavior will lead us to take complementary measures aimed at preventing the negative effects the tariff standardization could trigger.

[Unidentified reporter] Mr. President, the Chamber of Industries on 18 April released a communique saying the customs duties standardization could increase the price of medicines, clothes, and foodstuffs. In order to coerce you into retracting from the government agreement in which the tariff standardization was included, it also stated that it could halt 80 percent of the industries. What is your opinion about this?

[De Leon] Well, I respect their opinions. In addition, they have the right to defend their group or sector, which has the right to defend itself, say anything it wants to say, and argue and present its position. There is another chamber, the Chamber of Commerce, that is saying exactly the opposite: This is a measure that is included in

an overall economic policy aimed at reaching an economic leadership in Central America and unifying the efforts all countries make along this line. Guatemala will suffer immediate and temporary effects, but this chamber sees the measure with a more futuristic vision. In other words, these two chambers—the Chamber of Industries and the Chamber of Commerce—have two opinions. Let us not talk about other sectors such as the business and private sectors. I respect all of these opinions, and we are seeing what behavior and what negative effects this measure has. We are unwilling to allow such possible behaviors and effects to materialize. This is the duty a head of state has. [end recording]

Congress Approves Banking Law Reforms, Improves Benefits

PA2004204795 Guatemala City PRENSA LIBRE in Spanish 19 Apr 95 p 12

[FBIS Translated Text] Reforms to the Banking Law were approved by the congress of the republic yesterday to render banking activities more efficient and reduce the authority of the Bank of Guatemala, through its president.

The changes had been discussed for some time and it was not until yesterday that members of the Legislative Branch's Finance Committee explained the different benefits, including the responsibility of approving new banking organizations. Mergers will be handled by the Monetary Board rather than the Economy Ministry, as it was formerly done.

All this eliminates the need to request an authorization to open, transfer, and close down branches. The reforms propose a minimum capital of 8 percent regarding assets and liabilities, which are calculated based on the risk level. This adapts local laws to the international norms established by the Basel Accord.

Deputies said the action strives to render the system safer. The same applies to single service banks, to reduce unnecessary expenses and use multiple service banks' advantages. Changes will also be made to the fixed amount of 1,000 quetzales in case of a mortgage bank's liquidation. The proposal increases the figure to 5,000 quetzales and includes persons and organizations.

Honduras

Reina Refutes Report on Alleged Assassination Plot

PA2004034995 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 19 Apr 95

[From the "This Very Day" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] President Carlos Roberto Reina and the Armed Forces commander today refuted a

Cofadeh [Committee of Relatives of Missing Prisoners in Honduras] report involving Armed Forces officers in a plot to assassinate Reina.

This station yesterday aired an exclusive report by the Commission for the Defense of Human Rights in Central America [CODEHUCA] incriminating three former 3-16 [not further identified] members in a plot to assassinate Reina.

[Unidentified speaker] "I do not know Mr. [words indistinct]. The evidence or reasonable clues in the hands of the institution members should be presented in all seriousness and they should be given the appropriate importance."

The report was published by a U.S. newspaper and this upset the president today.

[Reina] "The very fact that this report was published has done the country great harm. Regardless of the number of denials, the effect of the news dispatch will be permanent. Honduras has been portrayed as a country where presidents are assassinated."

In addition, Armed Forces Commander General Luis Alonso Discua Elvir would rather leave everything to the administration of justice.

[Discua Elvir] "If there is conclusive evidence, the best way to deal with this is through the law."

Although Reina and Discua insist that Cofadeh should present the evidence to the proper authorities, the organization leaders maintain that it is other people who should make this move.

[Cofadeh member Mary Agurcia] "Proper legal action should be taken, but it is not up to our institution to take it. It is the Prosecutor General's Office that should proceed in cases like this. It is its duty to investigate."

Cofadeh, however, no longer speaks of a plot against the president but against his security guards.

[Agurcia] "We never said it was a plot against the president but a plot to create confusion among the security guards [words indistinct]."

In Honduras, people first accuse and then go to the proper authorities. In the case of this report, it has already crossed the border and Honduras has been portrayed abroad as a highly dangerous country.

Business Council President on Devaluation of Lempira

PA2104022495 Tegucigalpa LA TRIBUNA in Spanish 20 Apr 95 p 56

[FBIS Translated Text] Adolfo Facusse, president of the Honduran Council for Private Enterprise (COHEP), said yesterday Honduras has lost more than 3 billion lempiras due to the implementation of the monetary devaluation.

The president of the business council made that statement based on a letter of intent signed recently between the government and private financial institutions.

Nevertheless, Facusse said, the current administration should not be made responsible for the loss in revenue, because the monetary devaluation was initially implemented in 1990 during the administration of President Rafael Leonardo Callejas.

He added that if the speed and shortcomings observed in the economic model, as well as the fluctuation of other components, persist, it should be expected that revenue losses will increase to limits impossible to forecast at this time.

Facusse said that what causes the most concern in the situation is that the letter of intent insists that economic growth between 1995-97 will only be in the 4.5-percent range, meaning per capital growth in Honduras is expected to be only 1.5 percent per year, which is tantamount to saying we Hondurans will continue with the same economic situation we are experiencing, the COHEP president said.

He immediately explained that if the government's economic specialists stubbornly insist on solving the fiscal deficit problem only instead of seeking other development options, then it is very possible that the lempira will slide even lower than what it already has.

Facusse said the letter of intent is designed to solve the deficit problems the central government is experiencing but also includes mechanisms in which it is possible to seek a more fitting economic development for the country.

An Increase in the Cost of Fuel

On the increase in the price of fuel, Facusse said he believes fuel prices, in the absence of a solid justification from the government, will be officially increased simply to cover the enormous expenditures of the state bureaucracy.

"We have been carefully monitoring the fluctuations of crude oil prices taking place in the international market, but we have not found any swing that justifies the increase in a gallon of fuel," he added.

The COHEP president said "we have even scanned THE WALL STREET JOURNAL searching for some clue to the increase in the price of fuel, and we have not found any significant increase that may have influenced domestic prices."

[Tegucigalpa Voz de Honduras Network in Spanish at 1145 GMT on 20 April adds in a similar report: "With regard to arguments expounded by the president of the private enterprise council to refute the government's explanations for having increased fuel prices, Central Bank President Hugo Noe Pino has said that the explanations of the private sector are erroneous and that the finance minister was quite clear when he said the main reason had been due to an increase in international prices."]

Nicaragua

Assembly President Interviewed on Political Dispute

PA2004170595 Managua Canal Cuatro Television in Spanish 0400 GMT 19 Apr 95

["Exclusive" interview with National Assembly President Luis Humberto Guzman by reporter Josy Castillo in Managua; date not given; from the "Extravision" newscast]

[FBIS Translated Text] [Guzman] The National Assembly has already done its part: It elected the justices following the procedure outlined in the country's Constitution. Other than that, this matter is now in the hands of the Judicial Branch, the Supreme Court of Justice. The National Assembly has no say in this matter anymore.

Regarding Dr. Rodolfo Sandino Arguello, he has certainly been elected a Supreme Court justice. We have yet to process and swear him in. This should be taking place shortly.

[Castillo] Has Dr. Sandino Arguello accepted this designation?

[Guzman] That is correct.

[Castillo] This dispute between state branches has lasted several months. Some deputies have even said this is normal within a transition process, like the one Nicaragua is experiencing. But this crisis has prompted several personalities in this country, such as Cardinal Obando y Bravo, to make urgent appeals to resolve this dispute. There was a dialogue at the UN office which, according to many people, did not succeed. No white smoke emerged from those meetings at the UN office. What does the Assembly expect in the next few days? The much-publicized dialogue has not yielded results. Will there be a broader dialogue in which other political forces will be asked to participate? What is going to happen?

[Guzman] I want to take advantage of your question to reiterate once more that the National Assembly is totally open. The National Assembly has not imposed any conditions on the discussion following the recognition of the reforms.

We believe our approving of the reforms is within the constitutional framework. The stubbornness does not come from the National Assembly. We have acted with honesty, openness, and flexibility, and we continue to be ready, broadminded and, flexible following the recognition of the constitutional reforms.

[Castillo] This brings up the question of who is in the right? Who should rule on this? What will all this lead to?

[Guzman] Listen, I must tell you that the constitutional reforms were introduced because they were a demand of

the Nicaraguan society. It was done in the country's best interests. If providing public education free of charge was necessary and fair, it became necessary to amend the Constitution. If providing public health services free of charge was necessary and fair, it became necessary to amend the Constitution.

[Castillo] But do you not think that the power of the National Assembly has exceeded its limits and placed this country in a juridical limbo? The executive does not recognize these reforms; they insist the reforms are not valid.

[Guzman] I will not discuss the validity or nonvalidity of the reforms, because I believe this issue is not under discussion. The question is, whether the reforms are good for the country or not. We must ask ourselves if interests within the Executive Branch are preventing them from accepting the reforms. This is the core of the problem. We should not discuss whether the reforms are valid or not. For me, this issue is not under discussion. The question here is, are interests within the Executive Branch preventing them from accepting the reforms?

[Castillo] Putting aside what is best for or is not best for us, my question is: How far will this crisis go? When will this crisis end?

[Guzman] You should ask the Executive Branch that question. You should ask them how much longer will they maintain their intransigent attitude. I ask you honestly: Which of these reforms harms Nicaragua? Name one amendment that harms the country; name something that adversely affects one Nicaraguan. Name something that is affecting mothers, peasants, children. Which of the reforms harms the interests of Nicaraguan citizens? I believe not one.

I believe it hurts interests within the Executive Branch, but that is something else. We cannot expect that the interests of a minority will prevail over those of the national majority.

[Reporter] The National Assembly president also spoke today of the possibility of withdrawing the prohibitions from the constitutional reforms provided that someone, other than the National Assembly president, takes the initiative. There was even talk that the initiative may come from Cardinal Miguel Obando y Bravo.

Army: Former Contras Have Arms in Other Countries

PA1904193795 Panama City ACAN in Spanish 2037 GMT 18 Apr 95

[FBIS Translated Text] Managua, 18 Apr (ACAN-EFE)—The former "contras" still have in their possession an unspecified number of weapons in the countries that supported them, a high-ranking member of the Army has told ACAN-EFE. Lieutenant Colonel Ricardo Wheelock, official spokesman for the Nicaraguan Army, said the Nicaraguan Armed Forces do not have specific

information on the number of weapons in the hands of the former "contras" inside or outside national territory. "The CIA or Colonel Oliver North (involved in the so-called Iran-contra scandal) have the final word in this regard," Wheelock said.

The source informed that there are still 6,000 war weapons in the hands of civilians in Nicaragua, 90 percent of which are considered "outdated (for spare parts)" and lack ammunition. The military spokesman said that years ago, special disarmament brigades were able to confiscate 132,000 rifles from civilians, not including high powered weapons like surface-to-air missiles. He also said the Army collected 50,000 rifles that had been given to members of Sandinist cooperatives for military duty.

Wheelock denied that weapons are being smuggled from Nicaragua to other Central American countries, but said that "if this is happening, it is on a small and insignificant scale."

Rigoberto Espinal, Honduran Supreme Court magistrate, said in Tegucigalpa on Monday that some 500,000 weapons are circulating illegally in his country, one third of which are "AK-47" rifles and Soviet-made "Makarov" pistols. The Supreme Court official said the weapons entered Central America during the "Cold War" and that these weapons were smuggled by the former "contras" when they were fighting the Sandinists from eastern Honduras.

The former "contras," with the assistance of the United States, waged an eight-year war that ended in June 1990 against the Sandinist Army, which was supported by the defunct USSR and Cuba.

According to a military report released in mid-March of this year, a total of 22 rearmed groups operate in northern and central Nicaragua, most of them former "contras" and former Sandinist soldiers. In addition, a total of 49 bands of criminals operate in Nicaragua. They attack, kidnap, and murder peasants and ranchers in these regions of the country.

Panama

Government Welcomes U.S. Nomination of New Envoy

PA2004145695 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Apr 95 p A1

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo, on behalf of the Perez Balladares administration, yesterday stated his satisfaction with the U.S. Government's nomination of former Democratic Congressman Bill Hughes as new U.S. ambassador to Panama.

In confirming that President Ernesto Perez Balladares has expressed satisfaction over the nomination of the former New Jersey congressman, Lewis Galindo told the

media in Panama that the Foreign Ministry would welcome the appointment. He said he is familiar with Hughes' political and public record.

As a candidate to serve as U.S. ambassador to Panama, Hughes, a 62-year-old attorney, has a very good chance to receive U.S. Senate approval for the post.

The Panamanian foreign minister said that, for Panama, it is necessary for the new ambassador to arrive "as soon as possible," because his presence would greatly facilitate work involving the transfer of Canal Area assets during the implementation of the 1977 Canal Treaties, also known as the Torrijos-Carter treaties.

Lewis Galindo also said the arrival of the new chief of the U.S. diplomatic mission in Panama will contribute to further strengthening already excellent diplomatic relations, as well as bilateral cooperation in the struggle against drug trafficking and related crimes. He went on to describe the two countries as "historic partners in the grand Panama Canal enterprise."

Government Ministry Examines Plot Against PTJ Director

PA2004165095 Panama City LA PRENSA in Spanish 19 Apr 95 p 1A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] Yesterday, Government Minister Raul Montenegro affirmed that the plot against the life of the Technical Judicial Police (PTJ) director could be related to the conspiracy to assassinate President Ernesto Perez Balladares in Boquete.

Montenegro pointed out that the investigation into the plot continues and also expressed his concern that organized groups are seeking to cause chaos and destabilize the country through these kinds of actions.

This past Monday [17 April], PTJ Director Gabriel Castro himself, announced the discovery of an alleged conspiracy to murder him by a contract hit, involving a drug trafficker, who has been imprisoned for the past three months, and four PTJ agents.

It was disclosed that \$150,000 were offered to assassinate him. The attempt was planned to take place during the PTJ director's visit to the institution's detention cells.

According to initial reports, several prisoners would start a disturbance which would be used as a cover to assassinate Castro, and one of the inmates would then claim responsibility. Colombian national Rene Nicara, who has been under arrest for the past three months in a PTJ holding cell, has been identified as the individual with a key to a locker where a 25-mm pistol, a knife, and a pair of gloves to be used during the murder were found.

Four PTJ agents are currently under investigation while the authorities are searching for a civilian and another agent.

A PTJ armorer named Carmano has been identified as the person who received the pistol in order to repair it, but it is still not known how the weapon got into the locker.

Special Prosecutor Carlos Augusto Herrera met yesterday with PTJ Deputy Director Javier Cherigo to assess the situation.

Nicarao has also been identified as a trusted inmate who has been cooperating with the authorities in drug trafficking cases.

It has been announced that Castro traveled to the United States where he will be meeting with U.S. authorities in order to analyze mechanisms to challenge the narcomafia that has been using Panamanian territory as a "bridge" to send drugs to the United States and Europe.

The authorities have not ruled out that the murder plot may have been planned by criminals intent on getting even with Castro, and also highlight the degree of negligence in the penitentiary system because of the way in which a pistol and a knife got in the locker.

In the meantime, the opposition reacted yesterday with skepticism to the alleged plot against the PTJ director.

Opposition legislators Ruben Arosemena and Lenin Sucre, among others, expressed their misgivings regarding the veracity of the alleged plot, and compared it to the plan to assassinate Perez Balladares at the beginning of the year.

Both agreed that following the investigations into operation "Action and Control", aimed at murdering the president, in the end every alleged suspect had to be released for lack of evidence.

Opposition Skeptical Over Plot

PA2004170395 Panama City EL PANAMA AMERICA
in Spanish 19 Apr 95 p 1A

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] The opposition reacted yesterday with skepticism to news of an alleged plot to kill Judicial Technical Police (PTJ) Director Gabriel Castro, but Assistant Attorney General Carlos Augusto Herrera denied that the case is a "balloon."

While Assistant General Attorney Herrera argues that the PTJ agents in charge of the penitentiary system were "negligent" because they allowed an attempt on Castro's life to be planned in that section, Legislator Alberto Cigarruista alleges that the government "has lost all credibility" in conspiracy matters.

Cigarruista agrees with his colleague Victor Mendez Fabrega by pointing out that the alleged conspiracy seeks to "distract" attention from the packet of "unpopular" laws the government intends to approve.

Meanwhile, former Vice President Ricardo Arias Calderon asked Castro for "categorical" proof of the plot, as otherwise citizens could believe that this is a publicity circus.

Nonetheless, the authorities are defending the conspiracy theory and claim that the alleged perpetrator was Rene Nicarao, who has been under arrest in the PTJ cells for three months on drug trafficking charges.

According to the assistant attorney general, the initial investigation involves all the agents who were on jail duty Monday because no one can justify how someone under arrest for drug trafficking is being treated as a trusted inmate with access to arms.

Herrera said that Monday night the three PTJ agents who are presumably involved in the plot were questioned, as well as two detainees who were contracted to kill Castro.

Herrera added that a sworn deposition was taken from the lawyer who owned the knife that was found next to the .25 caliber pistol in the pigeonhole of a PTJ agent and which were allegedly going to be used in the plot.

EL PANAMA AMERICA has learned that among the agents under arrest there is one named Carmano, who works in the armory and who allegedly took to the PTJ the pistol to be used in the attempt. The other agents are Avila, Ortega, and Duque.

During the questioning Carmano said that the pistol was in a PTJ pigeonhole because a friend, whose name was not disclosed, had asked Carmano, who is a gunsmith, to clean it for him.

A lawyer named Ramirez alleged in his sworn deposition that during a visit he made to a client in the PTJ the knife that was to be used in the plot was seized from him. Ramirez affirmed that he never heard anything else about his knife and denied any part in the conspiracy.

According to the source, the authorities already know the identity of the person who supplied the pistol. A search for him is under way.

Reverted Areas Subject to Technical Evaluation

PA2004131395 Panama City LA ESTRELLA DE
PANAMA in Spanish 19 Apr 95 p A1

[Report by Claudio Herrera J.]

[FBIS Translated Text] Former Canal Zone properties that are about to revert to Panama will be subjected to a so-called Thematic and Technical Analysis. This analysis is designed to expedite the adoption of decisions related to the implementation of an overall utilization plan for the reverted areas. Evaluations of Ft. Espinar, Ft.

Gulick, and Ft. Davis on the Atlantic side, as well as Ft. Clayton on the Pacific side, are listed as priorities for review.

The information will be included in a document to be presented to the Legislative Assembly Canal Affairs Commission detailing the regional and general agenda of the Interoceanic Region Authority (ARI). According to the agenda presented to the commission, initial steps in preparing the plan were actually taken in 1991 by the Canal Area Advisory Council when the University of Panama's National Studies Institute prepared a preliminary draft, which was financed by the UN Development Program.

In 1992, the IDB [Inter-American Development Bank] provided nonrefundable technical assistance and recommended the basic elements to be included in the study's terms of reference. Later, the Ministry of Planning and Economic Policy, through its preinvestment [preinversion] fund, decided to join the IDB technical team.

The document, which explains the successive steps to be taken with respect to the future of the reverted areas, notes that one specific condition had been a 4.6 million balboa study related to the creation of ARI through the use of nonrefundable IDB funds.

Other key areas to be evaluated by ARI include Corozal and Albrook Air Station, as well as an evaluation of property registration and toxic waste problems.

The studies are part of a General Outline Plan of Usage, Conservation, and Development of the Canal Area.

The plan is expected to help ARI draft and recommend guidelines aimed at integrating the Canal area with the rest of the national economy by stressing the following:

- New economic activities;
- Taking advantage of the geographic position;
- Encouraging sustainable economic development and employment.

Article Discusses Loss of Confidence, Military Bases

PA2004221495 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Apr 95 p 4A

[Article by Samuel Lewis Galindo]

[FBIS Translated Text] Panamanians are losing confidence. Negligence, corruption, irresponsibility, and a complete lack of vision of those who governed the country in the recent past have gradually and understandably led to a collective mistrust of our capability. Now that we are very close to assuming full jurisdiction over our entire territory, we are fearful. Apparently, we are at a dead end. Some people think that Panama is finished if the Americans leave for good. Those who

think like this are making us feel powerless in the face of the future. What shortsightedness, clumsiness, and lack of patriotism!

From a recent and very informative news conference by Marcos Fernandez, I have collected valuable information about the economic effects of the U.S. presence in the bases and what the properties that Panama would receive after reversion will represent to Panama. Fernandez is an economist for Investigation and Development, Inc. [Investigacion y Desarrollo, S.A.—INDESA]. He is an expert, a realist, and an excellent, eloquent, and pleasant commentator. After listening to him, we concluded that we do not have our backs against the wall, that the outlook is good if we stop being pessimistic. However, we should be practical and choose, from the roster of available opportunities, whatever is best for us. We have exaggerated both the economic impact of the absence of the military bases and the value of these properties. I will present part of Fernandez' interesting report, which he described as "the two sides of the coin." The report deals with what is going and what is coming.

First, let us consider what we will get. From 1995 to 1999, 19 defense sites, which occupy over 17,726 hectares, will revert to Panama. Fort Sherman, which curiously has been excluded from a study on the uses of such areas, covers 9,352 hectares. It alone covers more than 50 percent of the total territory to revert to Panama. The value of the lands and installations of the 19 sites has been estimated at \$4.2715 billion. This figure is well below many others that have been disseminated, some of which mention the absurd figure of \$300 billion.

In addition, the Americans' withdrawal from the bases will have a considerably negative effect on the country's economic development. For instance, in 1995, Panama should receive \$260 million from salaries, personal expenses, purchases, etc. alone. This amount will be reduced yearly until the year 2000, when the country will receive retirement benefits for \$17.4 million. Two of the sectors most seriously affected will be housekeeping, which adds up to \$7 million annually, and car rental, which yields slightly more than \$6 million annually.

Consequently, we are at a crossroads. We must make up our minds about what we want while remaining true to ourselves. We must determine whether we are in a position to walk by ourselves or if we still require paternal support, without complexes or false nationalism. This one, after our struggle for independence, will be our most important decision. And we will have to make it by ourselves. This is a matter that concerns only the Panamanian people. Nobody from abroad can help us make this decision. I hope we will rise to the challenge before us. I do not mean that we should hurry in one direction or another but that we should be aware of the alternatives and that, if we act responsibly, willingly, and firmly, the future looks bright. We have before us the possibility of renegotiating the bases or using those sites for our economic development.

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One thing is for sure, however. We should not let ourselves be carried away by events. Time is running out. The negotiations or the development of the reverted areas should be supported by the majority of the population. A matter of this importance should show the world that the Panamanian people can set aside party interests for the sake of the nation's supreme good. Many decades ago, in 1956, then President Jose Antonio Remon Cantera succeeded in uniting all Panamanians regarding the renegotiation of the 1903 Treaty, which led to the Remon-Eisenhower Treaty. Ricardo Alfaro, Harmodio Arias, and Daniel Chanis, bitter

political adversaries of Remon, joined other Liberal Party ex-presidents, such as Enrique Jimenez, and accompanied Remon in a great march of dignity. Remon told the Panamanian people: "We are going to Washington to seek justice, not to demand millions or donations." If we united back then, why not do the same today? Was there more hatred or division in the Panamanian family back then? I do not think so. Nevertheless, to ensure success, it is essential that we have confidence in the country and its people, leaving pessimism and fear behind.

Argentina

Menem Condemns Attacks in U.S., Spain, Japan
PY2004151895 Buenos Aires TELAM in Spanish 1304
GMT 20 Apr 95

[FBIS Translated Text] Buenos Aires, 20 Apr (TELAM)—President Carlos Menem today condemned the attacks perpetrated yesterday in the United States, Spain, and Japan. He announced that he had issued instructions for the SIDE [Secretariat for State Intelligence] to increase security measures in Argentina.

The president emphasized: "It is a tragic day for humanity and, as such, it will be recorded in history."

In remarks to Radio America, Menem added: "If these incidents occur, despite all the security services operating in First World countries, we have to remain very alert."

The president announced that he had issued "instructions to the security agents, the SIDE, and all the intelligence agencies for them to increase measures in Argentina because there are crazy people on the loose everywhere."

The president admitted that terrorism "is something very difficult to control." He added: "Therefore, the security measures will be more severe in First and Third World countries."

The president noted that yesterday he talked to relatives of Spanish Popular Party leader Jose Maria Aznar "to express to them my solidarity." "And today I may talk to U.S. President Bill Clinton," he added.

Recalling a terrorist act perpetrated on 18 July 1994, Menem emphasized: "It is necessary to return their gesture toward us when we went through identical circumstances with the AMIA [Argentine-Israeli Mutual Association] attack."

When he was told that in the United States not a single political leader sought any political gain from the attack perpetrated in Oklahoma, Menem pointed out that in Argentina "there were some journalists who, while the bodies [of the victims] were still warm, merely put the blame on the government."

Menem emphasized: "The security forces were also blamed for not sufficiently protecting the borders, and initially (the journalists) did not report on the facts."

The president said: "In the United States, without putting the blame on anyone, they fully dedicated themselves to trying to solve the problem and helping the victims of this atrocious attack."

Menem Contacts Clinton, Oklahoma's Keating
PY2104030195 Buenos Aires TELAM in Spanish 0004
GMT 21 Apr 95

[FBIS Translated Text] Buenos Aires, 20 April (TELAM)—President Carlos Menem has sent telegrams

to U.S. President Bill Clinton and Oklahoma Governor Frank Keating following the bomb attack yesterday that caused hundreds of victims in Oklahoma City.

"Dear Bill: I am profoundly moved by the tragic and inhuman attack in Oklahoma City, and I wish to express my solidarity and sincere condolences over this criminal act that affects your people and your government," Menem's letter [as received] to his U.S. counterpart begins.

The letter says: "Nine months after a similar terrible experience, I share the pain and distress over the loss of innocent lives, who are victims of hate and intolerance."

The Argentine president later says that he understands "the feeling of impotence" against "the fanaticism of international terrorism which conspires against the peaceful coexistence of peoples."

"I reiterate my belief that terrorism will not cause us to give up our commitment to the principles of freedom and democracy" and will not prevent "the definitive establishment of peace and security within the international community," the letter says.

In the letter to the Oklahoma governor Menem says: "This indescribable attack comes precisely nine months after a similar attack killed almost 100 innocent people in my country."

"I understand the anguish and pain you feel at this time, and I want you to know that the entire Argentine people and my government feel solidarity and accompany you in this terrible moment," the letter concludes.

Further Reaction to Oklahoma Attack
PY2104031495

[FBIS Editorial Report] Argentine press agencies carry a number of Buenos Aires-dated reports on 20 April covering national reaction to the bombing in Oklahoma City.

Buenos Aires TELAM in Spanish at 1820 GMT reports that the cabinet, presided over by President Carlos Menem, today evaluated the possibility of requesting "united world action" to combat terrorism in view of the attacks that occurred on 19 April in the United States, Spain, and Japan.

Interior Minister Carlos Corach, acting as spokesman, outlined the need to implement "united world action in order to definitively eradicate this modern scourge." Terming the attacks "irrational violence," he condemned the perpetrators and expressed his sympathy for the victims. He said official security organizations had not received terrorist threats.

Lieutenant General Mario Candido Diaz, chief of the Joint Staff, telephoned his U.S. counterpart General John Shalikashvili to express the "solidarity" of the

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Argentine Armed Forces with the relatives of the victims of the Oklahoma bombing attack.

Argentine Ambassador to the OAS Hernan Patino Mayer, indicating that there is no society in the world that can prevent "these lunatic attacks," noted that the Oklahoma bombing is going to produce "serious" political consequences at the world level, and recalled that after the attack against the AMIA [Argentine-Israeli Mutual Association] on 18 July 1994, Argentina had tried to inspire "joint action" against international terrorism within the United Nations and the OAS.

Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1911 GMT reports reaction from Federal Police Chief Superintendent Adrian Pelacchi, who notes that while his personnel had never given up the "hypothesis of a third terrorist attack" in Argentina, they are on the alert after the attack in Oklahoma. He warns that "all precautions are too little" to prevent terrorist actions.

NOTICIAS ARGENTINAS at 1948 GMT reports comments made from Washington D.C. by Foreign Minister Guido Di Tella, who notes that while no one can claim to be free from this scourge, as it is obvious that these attacks are occurring at an intense rate throughout the world, "something more can always be done" to prevent terrorist attacks.

Buenos Aires LA NACION in Spanish on 20 April on page 8 publishes an editorial entitled "Terror in Oklahoma." The editorial begins by indicating that Oklahoma has now become another statistic in the "recalcitrant homicidal fanaticism" that is being felt throughout the world. Noting that there can be no doubt about the "aberrant nature" of any "act that, like all extremist violence, wishes to impose convictions and behavior on the community through terror and coercion," the editorial comments that this action was perpetrated as "a direct affront to the most powerful nation on earth," as the perpetrators want to attract the eyes of the world.

Pointing out that this has happened in a country with "incontestable military power and with the economic, human, and technological resources at its disposal for the best security measures," the editorial warns against the "dangerous sensation" that can lead to the "fatalistic and unnerving conclusion" that there is no possible defense against this kind of attack. "Guards must not be lowered and efforts must be redoubled to efficiently protect the community," the editorial concludes.

Di Tella Makes Efforts To Prevent Trade Sanctions

PY2004190795 Buenos Aires TELAM in Spanish 1506 GMT 20 Apr 95

[FBIS Translated Text] Buenos Aires, 20 Apr (TELAM)—Foreign Minister Guido Di Tella today emphasized that, after the objections raised against the patents bill [by the Argentine executive branch], he asked U.S. Trade

Representative Mickey Kantor yesterday to exclude Argentina from a list of countries liable to receive trade sanctions.

In remarks to Radio Del Plata, the foreign minister pointed out that "now I actually want congratulations and Argentina's removal from any type of list" of sanctioned countries.

Di Tella announced that, during the meeting with Kantor, "I noticed a different atmosphere after informing him of the decisions that we had made" on the patents bill.

Asked about the pressures exerted by U.S. representatives for congressional approval of the bill, the foreign minister admitted that "the United States exerted pressure as heavily as the European Union did." He pointed out that the difference was that Washington "was more specific and more crude."

The minister admitted: "There were times when (these pressures) bothered public opinion and ourselves." He noted that, in the government, "sometimes we considered that such specific actions were not helping us in deciding what is best for our country."

During his 30-minute meeting with Kantor, Di Tella explained to the U.S. trade representative that President Menem had raised objections against 16 points in the patents bill approved in Congress on 30 March.

UCR Leaders Harshly Criticize Veto of Patent Law

PY2004221295 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1100 GMT 20 Apr 95

[FBIS Translated Text] Buenos Aires, 20 Apr (NA)—Radical Civic Union [UCR] deputies and senators have jointly claimed that the presidential veto of the Patents Law "offends Congress, jeopardizes sovereign decisions made by the nation, and entails a high future risk for our moribund health system."

Justicialist Party Senate bloc leader Pedro Molina said that the executive branch decision "is not a big problem" for Congress, although he admitted that the general mood prevailing in the various blocs, including the pro-government bloc, "leads to the conclusion that efforts will be made to insist on the original bill."

"We have not yet been able to make an in-depth analysis of the observations of the Executive Branch, but I believe that in two, three, or five weeks we will have a legal answer on the subject," Molina said.

"The situation," he went on, "developed in the following way: We believe that the law benefits the country, while the executive branch believes it doesn't."

Meanwhile, UCR senators yesterday unsuccessfully tried to debate an unscheduled request for an interpellation of

Economy Minister Domingo Cavallo. The Justicialists, however, refused to guarantee the quorum, and the session failed.

After this failure, top Radical bloc leaders of the two chambers hosted a joint news conference to make it clear that they will insist on the original bill that was approved by Congress.

UCR representatives reacted with vehemence to the executive branch veto, noting that this measure "shows that the government is yielding to international pressure."

The charges pressed by Radical representatives went even further. Senator for Chubut Hipolito Solari Yrigoyen said the veto "is another step within the secret agreement with the United States to favor U.S. interests and harm Argentine interests."

"Proof of this agreement," the lawmaker said, "is that President Carlos Menem adopted the U.S. position as if it were his own, saying there were 10 mistakes in the law, as Washington said, instead of six, as the European Union had claimed."

A joint document issued by UCR deputies and senators stated that the "observations" made by the government to the Patents Law "entail, in practice, a full veto of it."

"The vetoed law," the document notes, "fully complies with GATT rules, allowing Argentina to incorporate into its legislation the benefits that this international agreement grants to developing countries in the areas of patents."

"With this veto the executive branch seeks to relinquish those benefits, while developed countries do not do the same with the rules that benefit them with agricultural subsidies, anti-dumping practices, and tariff reductions," the document says.

The lawmakers said in this regard that "it is absurd that Argentina should submit itself to harmful clauses, and that now there should be an attempt to make it relinquish the clauses that are beneficial to it."

"By doing this," the lawmakers claimed, "the government is permitting the restoration of the law of survival of the fittest in international trade, something that GATT has tried to abolish."

Independent Senator Jose Antonio Romero Feris also rejected the presidential veto, noting that the government's position "entails yielding to sectorial interest pressure."

Romero Feris also criticized the "maneuver" made by the executive branch to avoid promulgation of the law, remarking that the "observations" mentioned in the official decree "are nothing but a euphemism for what in practice stands as a full veto of the law."

Romero Feris said that "irrespective of the tricks used by the executive branch, this is in plain words a veto that was provoked by foreign pressure."

The senator for Corrientes said he will support the congressional effort to insist on the approval of the original law, the way it was approved by Congress.

Savings Passbook Owners Renewing Deposits 'Nationwide'

PY2104005895 Buenos Aires TELAM in Spanish 1935 GMT 20 Apr 95

[FBIS Translated Text] Buenos Aires, 20 Apr (TELAM)—Central Bank President Roque Fernandez today said that the deposit renewals being made in all banks nationwide show that savings passbook holders have recovered their confidence in the banks.

Fernandez added: "Tranquility is beginning to be reestablished, the number of deposits being renewed is increasing significantly, and the small savings account owners, who were the most concerned, began to calm down as they learned about the implementation of the deposit guarantee system."

In comments to Radio America, Fernandez pointed out that this increase in the number of renewals "can be noticed nationwide, and not only in the federal capital and great Buenos Aires."

He explained that the decree implementing the system of guarantees establishes that the amount to be guaranteed is calculated by "considering savings accumulated per person and per entity." He added that in the next few days "we will issue a more explicit norm on the issue."

Referring to the National Bank and the provincial banks, which guarantee all of their deposits, Fernandez explained that "all official banks, created either by provincial or municipal entities, are guaranteed by the creating entities by virtue of their statutes."

Regarding the Integrated Departmental Bank (BID), which has been closed, Fernandez said that he is "waiting for the bank officials' proposal, because they would have to talk to their account holders and check on the loans already granted in order to establish the liquidity of the institution and possibly see ways of financing them."

He pointed out that he has been kept informed about the issue through the media, and not by bank officials, with whom he talked last on 18 April.

He added: "I know that they are working on the issue, but officially they have made no proposal at all."

Leftist Presidential Candidate Views Programs

PY2004004295 Buenos Aires TELAM in Spanish 1409 GMT 19 Apr 95

[FBIS Translated Text] Buenos Aires, 19 Apr (TELAM)—Presidential candidate Alcides Cristiansen of the alliance MAS-PTS [Movement Toward Socialism-Workers Party for Socialism] today said that if he wins

the elections he will reduce legislators' and public servants' salaries and will benefit workers, education, and public health.

Cristihansen also expressed his solidarity with "the struggle of MAS fellow worker Oscar Martinez in Ushuaia, who is being attacked by Governor Jose Estabulo and the national government."

"Martinez (secretary of the Rio Grande UOM [Metalworkers Union] organization) is heading the Ushuaia workers' struggle because he was elected by his fellow workers for that purpose," the MAS candidate said.

Cristihansen said: "The MAS-PTS administration will belong to the workers and to the people, and one of our first measures will be to create unemployment insurance for the 3 million people who are unemployed, who will receive at least 500 pesos," and to reduce legislators and government employees' salaries.

Cristihansen, former secretary general of Neuquen's UOCRA [Construction Workers Union of the Argentine Republic], as most leftist candidates, proposes "ignoring the foreign debt and imposing a progressive tax on wealth."

"This is an administration that neglects large groups of the population and creates 'hospitals' with golden beds to save banks instead of looking after public hospitals, which are all falling apart," the candidate said.

With respect to the frustrated unity of the left, Cristihansen said that "MAS is fanatical about unity, but regrettably the differences are insurmountable."

"We proposed unity to the MST [Workers Socialist Movement], but at first (Luis) Zamora's party wanted to join the Grand Front, and then Fernando 'Pino' Solanas' South Alliance, which are different versions of the parties of the bourgeoisie," Cristihansen said.

"The Workers Party also chose to go its own way with Jorge Altamira as their candidate," Cristihansen added, outlining that "the only alliance of the real left is the MAS-PTS alliance."

Cristihansen forecast that after the 14 May elections, "workers' struggles will increase because adjustment plans will be intensified."

"It does not matter which of the three largest parties—PJ [Justicialist Party], Frepaso [Front for a Country in Solidarity], or UCR [Radical Civic Union]—wins; all three will impose more adjustments and will provoke greater unemployment," Cristihansen said.

Finally, the MAS candidate announced that on 1 May his alliance will stage a rally to commemorate "Labor Day" at the Box Federation in this capital.

Candidate Bordon Vows To Maintain Convertibility Plan

PY1904235295 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1948 GMT 19 Apr 95

[FBIS Translated Text] Buenos Aires, 19 Apr (NA)—Frepaso [Front for a Country in Solidarity] presidential

candidate Jose Bordon said today that Argentina "cannot leave the convertibility plan" if it wants to maintain monetary stability.

"Frepaso will maintain the country's stability. Those responsible for the convertibility plan made a mistake at the beginning when they established the basic exchange rate, but today we cannot leave it because the remedy would be worse than the disease," Bordon said.

The Frepaso leader said that in order to face this problem his party proposes, as an alternative, "more efficient and just revenues and spending measures as well as active policies with a strong accent on exports."

Bordon said Frepaso would promote the export of "agricultural and industrial products with high added value" in order "to create more jobs, reactivate the internal market, and attract genuine capital to defend the Argentine peso."

"There is no way to leave the convertibility plan. This is why we say that we will maintain the plan," Bordon said during a breakfast meeting with a group of important entrepreneurs. The meeting was organized by the Institute for the Development of Executives in Argentina (IDEA) at a downtown hotel.

The audience included Guillermo Stanley (Citibank), Patricio Zavalia Lagos (Alpargatas), Oscar Saggese (Indupa), Luis Flynn (Cargill), and Luis Prol (YPF-Gas) [Government Oil Deposits-Gas], among others.

Bordon was accompanied by his entire economic team—except for Eugenio Diaz Bonilla, who is in the United States—which includes Roberto Lavagna, Ignacio Chojo Ortiz, Arnaldo Bocco, Carlos Ponce, Alberto Camarassa, and Enrique Martinez.

The Frepaso presidential candidate gave a few hints about the definition of his party's fiscal policy by saying that "the state will implement measures to encourage the competitiveness of productive companies," although making clear that the measures will only apply "to some specific areas."

"The tax reform program seeks a new balance between direct and indirect taxes. The general idea is to progress with the tax on profits and the fight against evasion," Bordon said, adding that changes will be gradual and implemented over the long term in order not to affect the country's stability.

Bordon confirmed that his government will guarantee "the rules of the game and predictability" and will seek "to improve revenues and spending quality and equity."

The candidate said he would "personally" participate in the elaboration of the national budget, because "the task cannot be left in the hands of intermediate officials."

"We lost the possibility of having a foreign exchange and monetary policy in the country as a consequence of this administration's strategy of hyperstability," the Mendoza senator said, adding that in no case "must or should we propose devaluation policies."

Bordon questioned Carlos Menem's "irresponsible" remark that the country will not be able to overcome the crisis if the Justicialist Party does not win the elections.

"Menem and Cavallo put us in this financial crisis, and now they say they are the only ones who can take the country out of the ditch," Bordon criticized.

The candidate added: "The best thing this administration can do is to prevent the crisis from deteriorating," because it "can no longer take the country out of it."

Paraguayan Daily Interviews Navy Chief of Staff

PY2004024495 Asuncion ABC COLOR in Spanish
19 Apr 95 p 6

["Part of a long interview" with Admiral Enrique Molina Pico, Navy chief of staff, by unidentified reporter; place and date not given]

[FBIS Translated Text] [ABC COLOR] What experience have you gained with the removal of military personnel from political activities in Argentina?

[Molina] Countries have their special characteristics, which have been bequeathed by their histories. The Argentine Armed Forces have been integrating themselves into republican life since 1983 without any problems whatsoever. Historically, members of the Argentine Armed Forces have been characterized by not being members of political parties. Nevertheless, this characteristic did not prevent them from participating dynamically in political activities, which, keeping an eye on history, has been a mistake.

[ABC COLOR] Did the removal of military personnel from partisan political activities leave a trauma?

[Molina] I would say that the removal from political activities itself did not leave a trauma. Maybe it was necessary to conform to new administrative conditions, to a new standard of living. Obviously this involved seeking solutions that had not been considered before.

[ABC COLOR] What was the solution for the military personnel who were involved in or identified themselves with a given political party in Argentina?

[Molina] In Argentine history, officers on active duty did not identify themselves with any political party. They were involved in government activities, in the government's political action, thus violating constitutional provisions. And this has been causing the ups and downs in Argentine political history over the past 50 years, which are known to all of us. Active involvement in political parties was permitted for retired military personnel.

[ABC COLOR] Is it a mistake, then, to permit the involvement of military personnel in politics?

[Molina] For the Argentine Republic, the involvement in the government's political duties, and not the involvement in partisan activities, was a mistake.

[ABC COLOR] What is the situation of the military personnel who retire?

[Molina] Retired military personnel keep their military status and conform to rules and regulations. This means that retired military personnel are citizens who may become involved in any activity, including political activities. At this moment there are two such military officers: Lieutenant General Juan Carlos Ongania, a retired military officer, who was president 25 ago and now is a presidential candidate; and Mr. Aldo Rico, a military officer who was discharged, does not have any military status, and also is a presidential candidate. Conforming to military rules and regulations means that retired military personnel cannot express themselves publicly as freely as ordinary citizens.

[ABC COLOR] How was the removal of the compulsory military service achieved? And how will you achieve the professional military service itself?

[Molina] First, the Navy plays a special role. The Navy has already had a voluntary service for eight years. In other words, we had experience for adapting ourselves. The change was in the Army, because the number of draftees is totally different. It is not the same to draft 2,000 or 3,000 men for the Navy as to draft 25,000 for the Army. It is too early to draw any conclusions, but undoubtedly it will also be successful.

[ABC COLOR] How is the military apparatus to be reduced?

[Molina] Every country must solve its own military equation, because from a non-military viewpoint, the reduction of the military apparatus may be a simple method to reduce economic costs. Nevertheless, the entire military organization is the basic structure of all states. All independent nations have their own military structures, their size depending on their own interests, but limited by economic possibilities. The size of the military apparatus of each country is a solution that each country must find through its own government. During the past 10 years the Argentine Armed Forces troops have been significantly reduced, about 40 percent.

[ABC COLOR] Applying self-criticism, how would you describe the Argentine Navy's involvement in the "dirty war?"

[Molina] We were involved in a war. And in every war there are things that are liked and things that are disliked. Military actions were judged by civilian courts that issued a ruling that was upheld by the Supreme Court. That's all. Some things were done and some things were not done. And we stick to this.

Bolivia

President, Foreign Minister Justify State of Siege

PY2004152095 La Paz Radio Cadena Nacional
Network in Spanish 1100 GMT 20 Apr 95

[FBIS Translated Text] President Gonzalo Sanchez de Lozada has justified the sudden implementation of the

state of siege and the violent raiding of the COB [Bolivian Labor Federation] national meeting by asserting that the emergency measure was implemented due to the unrest and agitation generated by political and civilian groups.

This is stated in a letter Sanchez de Lozada addressed to Congress President Victor Hugo Cardenas, in which he requests the ratification, by the legislative branch, of Supreme Decree 23993.

In noteworthy paragraphs of the letter, entitled "For Social Peace and a Right to Work and Education," the head of state asserts that this emergency measure was implemented due to the persistent and growing social unrest the country was experiencing as a result of the attitude of political groups that were promoting unrest and that had thwarted the dialogue being held by the COB and the government, through the mediation of the Catholic Church, a dialogue that had made significant progress.

This climate of agitation also encouraged some citizens to arrogate to themselves the right to represent the people, which clearly violates the Constitution.

The letter goes on to point out that the citizenry must enjoy a climate of social peace that will allow them to honestly earn their living without interference, fear of violence, or the need to endure the actions of minority groups.

Foreign Minister Antonio Aranibar, who until yesterday made it appear as though he were against any sort of emergency measure, justified the implementation of the state of siege by blaming the COB [Bolivian Labor Federation] leaders of being the only inflexible party. This is what the president of the governing Free Bolivia Movement said:

[Begin Aranibar recording, in progress] ...fully within a state of law and the circumstances under which it was implemented are fully justified. The country must necessarily implement all the projects it has in mind. The government must do this; it is its duty. The implementation of the state of siege is regrettable; it is a measure the government did not wish to implement, but it was inevitable due to the inflexible attitude we have encountered. Therefore, because the state of siege is a legal tool within a democratic system, it is designed precisely to guarantee the country's progress within the legal framework.

Some 200 Arrested Banished to Barracks in Uyuni, Cobija

PY2004185895 La Paz Television Nacional Network in Spanish 1700 GMT 20 Apr 95

[FBIS Translated Excerpt] As one of the direct effects of the implementation of the state of siege, some 300 leaders and workers have been arrested in the main Bolivian cities.

More than 200 have been banished to military barracks in Colchaca, Uyuni, Potosi Department, in the high plateau and in Puerto Rico, Cobija, in eastern Bolivia. [passage omitted]

Union Denies Subversive Activities of Leaders in Copacabana

PY2004152395 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 20 Apr 95

[All names rendered phonetically]

[FBIS Translated Text] The General Trade Union Confederation of Bolivian Peasant Workers has denied that the leaders meeting in Copacabana were engaged in subversive activities.

From where he remains underground, Julio Chuquimia, secretary of the Pro-Coca Group, made contact to reject these false charges by the head of state.

On Tuesday, 18 April, in order to justify the acts of repression and arrests, Minister of Government Carlos Sanchez Berzain said that the meeting in Copacabana was of a subversive nature. According to the official report, during the operation a total of 23 peasant leaders—six Bolivians, 12 Peruvians, two Colombians, one Brazilian, one Cuban, and one European citizen—were arrested. Chuquimia explained that they were attending a meeting of the Andean Council of Coca Producers to assess the 1995 coca harvest at a national and international level.

Regarding Evo Morales, he was taken yesterday to the Technical Judicial Police [PTJ], where he was questioned for more than three hours.

Last night PTJ ad hoc attorney Santiago Ugarte ordered the release of four Peruvian citizens and Brazilian citizen Maria Margarita Goncalves. These individuals had been arrested in Copacabana together with 19 other coca producer leaders of the Andean region.

The arrested individuals who were taken to the PTJ headquarters were identified as: Peruvian citizens Roger Brun Will, journalist; Alberto Quintanilla and Ricardo Soberon, attorneys; Jorge Luis Vasquez, with a bachelor's degree in law; Agustina Tejada, welfare assistant; Abel Garfias, merchant; Hugo Cavieses, economist; and Genaro Cahuana, Eliseo Condori, Antonio Moreno, and Juvenal Mercado, all peasants. Also included were Colombian citizens Luis Fernando Giraldo, economist, and Lucio Hurtado, an expert in agricultural matters; Brazilian citizen Maria Margarita Goncalves, attorney and anthropologist; and U.S. citizen [as heard] Helen Cross, an expert in ecology.

The arrested Bolivians have been identified as: Evo Morales, Crisologo Mendoza, Miguel Callizaya, Juan Torres, Secundino Montevilla, Modesto Condori, Maruja Machaca, Dante Lorini, and Sabino Arrollo.

COB Demands Release of Detainees, Asks Church To Mediate

PY2004185695 La Paz Radio Cadena Nacional Network in Spanish 1650 GMT 20 Apr 95

[FBIS Translated Text] We are in contact with Anibal Mansilla, advisor of the Bolivian Labor Federation

[COB], who wants to disclose important information. Good afternoon, Mansilla. Go ahead.

[Begin relay] [Mansilla] Good afternoon, radio listeners. As part of the COB Executive Committee, and under the new condition unexpectedly imposed on the workers by the government, we would like to make the following announcement:

First, we demand the release of all the detained and of those who were banished. We would particularly like to emphasize the health situation of fellow worker Oscar Salas [COB executive secretary] because, as everyone knows, his health situation is very delicate. Therefore, we do not believe his physical condition can bear the banishment. We are going through a stage of making or establishing contacts in order to formulate a strategy for planning a resistance that would allow the continuity of all the measures that were approved during the COB meetings.

I would also like to point out that once again we advocate dialogue, and this is why we are asking the Catholic Church to resume its task as mediator. We ask the Church to contact the government for the resumption of the negotiations in the face of the government intention to discard or throw aside all the progress made in the documents called pre-agreements. The great demonstrations as a result of the conflict cannot be in vain. And this is why, on the night of the COB meeting, we said the progress made was positive. And we took this progress as the basis for negotiating the other unresolved problems.

And finally, those leaders who got out, those of us who were fortunate enough to be able escape and go into hiding with the help of people in the private offices located in the building raided by the police that night, ask the Catholic Church to seek before the government an official contact with the COB leadership—after assuring the necessary personal guarantees—in order to find the necessary solutions that are needed at present. [end relay]

Those were the comments of COB advisor Anibal Mansilla.

Brazil

Government Proposes 'Strict' Budget Guidelines Law

PY2004223795 Sao Paulo GAZETA MERCANTIL in Portuguese 17 Apr 95 p A3

[Report by Raquel Stenzel in Brasilia]

[FBIS Translated Text] On 13 April the Brazilian Government submitted to Congress a rather strict draft Budget Guidelines Law (LDO) for 1996, with the main objective of balancing public accounts. To this end the executive branch is proposing a prohibition against financing any new project with budget funds, tighter criteria for granting financial assistance to state or

municipal governments, a ceiling of 56 percent of net revenues for personal services expenses, and the automatic rejection of any congressional amendment creating expenses that will not be backed by guaranteed net revenues.

The draft LDO empowers the government to execute the federal budget as originally proposed if Congress fails to approve it by the established deadline; that is, 31 December. Under the current system the executive branch may disburse only up to one-twelfth of the budget monthly. Planning Minister Jose Serra said: "The one-twelfth system causes imbalances and forces the government to issue provisional measures."

On 14 April Serra also announced that starting in May, contracts for some (public housing and sanitation) projects will be funded with resources from the Severance Pay Fund (FGTS). The signing of these contracts has been suspended since 1991. Serra said that the government initially plans to release 1 billion reais [R] for the housing sector to benefit families earning up to five minimum wages monthly, and R500 million for basic sanitation projects. He noted, however, that the government may disburse a total of R2.4 billion.

Serra reported that the government will soon submit to Congress a proposal for a constitutional amendment establishing that any change to the LDO will be made only through a specific law approved by a qualified majority.

The government is also proposing that voluntary transfers to state and municipal governments be proportional to constitutionally mandated transfers.

By late August, the executive branch will submit to Congress a draft general budget for the federal government for 1996. Serra said the new budget will be based on December prices—no monetary correction is envisaged. The government will also submit in August its multiannual plan with guidelines for the 1996-99 period.

Cardoso Disavows Motta's Criticism, Says Case 'Closed'

PY2004160195 Sao Paulo AGENCIA ESTADO in Portuguese 2102 GMT 19 Apr 95

[Report by Odail Figueiredo]

[FBIS Translated Excerpt] New York, 19 Apr (AE)—President Fernando Henrique Cardoso today disavowed the criticism made by Communications Minister Sergio Motta against other members of the cabinet. Presidential spokesman Sergio Amaral said: "The president believes that Minister Motta should limit his public remarks to issues falling within his area of responsibility. No minister should pass judgment on the performance of other ministers. The only one who can do that is the president of the Republic, who, incidentally, is well aware of what is being done at the education and health ministries as well as within the Community in Solidarity program."

Later, after lunching with Brazilian and U.S. businessmen at the Sheraton Hotel, President Cardoso himself decided to put an end to the controversy. He said: "This episode is closed." In a cautiously worded statement released to reporters late this morning, Amaral said that Motta had denied having criticized his colleagues and had told the president that his remarks were "taken out of context." Asked if this meant that Motta was not denying his remarks but rather was specifying the circumstances in which he made them, Amaral said: "That is my understanding, but it is the minister who can clarify in fact what he said and what he did not say." [passage omitted]

Poll Canvasses Public on Economy, Cardoso, Reforms

PY1904210495

[FBIS Editorial Report] Sao Paulo ISTOE in Portuguese on 12 April publishes on pages 26-27 a 600-word unattributed report on a poll carried out by ISTOE/Brasmarket between 2 and 4 April in 14 Brazilian capitals among 4,658 people. According to the report, 68.2 percent of those polled "today have the same or greater confidence in the Brazilian currency than they did last year." The report said that 57 percent of those polled know "nothing or very little" about the social security reform, 64.1 percent do not recall "any positive measure adopted by the president," 53.8 percent believe the president "is not fulfilling his electoral campaign promise to attach priority to the social area," 51.2 percent favor "reelection of the president, governors, and mayors," 42.5 percent favor "ending job stability for public servants," 39.2 percent support the proposal "to open up the Brazilian economy to foreign capital," 39.2 percent believe that the president "will enjoy an average administration," 30.1 percent believe the president "will do a good job," and 26 percent believe "the constitutional reform will change people's lives for the worse."

Southern Governors on Cardoso Administration's 'Mistakes'

PY2104015895 Sao Paulo AGENCIA ESTADO in Portuguese 2124 GMT 20 Apr 95

[Report by Ayrton Centeno]

[FBIS Translated Text] Porto Alegre, 20 Apr (AE)—The governors of the three southern states today pointed out in Porto Alegre several political mistakes made by Fernando Henrique Cardoso's administration. Parana Governor Jaime Lerner (PDT) [Democratic Labor Party] classified his observations as "a warning." He said that the federal government had been wrong to concentrate in the hands of Congress the discussion of the reform. He suggested that "the government should open up the agenda to the people." In the same careful tone, Santa Catarina Governor Paulo Afonso Vieira (PMDB) [Brazilian Democratic Movement Party] said that "the government lacks an administrative side." Rio Grande

do Sul Governor Antonio Britto (PMDB) said that Cardoso needs a political coordinator. "He cannot look after all the affairs. He should be looking after someone who looks after these affairs." The governors want Planalto Palace to carry out "small actions" in the social area.

Vieira called for more swiftness in the constitutional reform process. He proposed, for example, that the federal government launch a program for finishing public works in general, or for highway repair. According to him, if Cardoso assisted some states this assistance would be of some help in the following stage, i.e., in the approval of reforms in Congress. Britto is also favorable to small investments, "without excessive spending," that do not interfere with the anti-inflation effort.

Lerner, Britto, and Paulo Affonso—who today attended the first meeting this year of the Council for Far South Development (Codesul)—decided to go to Brasilia together to ask for resources for the agricultural area and to repair highways BR 116 and BR 101. The leaders of Codesul, to which Mato Grosso do Sul State also belongs, believe that if the rules to be enforced in the agricultural area are not established, the winter crops will be affected. The governors called for a differentiated treatment for large, medium, and small farmers. The installment of Nelson Wedekin in the presidency of the Regional Development Bank (BRDE) on 24 April was also agreed upon during the meeting.

Commentator Examines Government Disillusionment With PMDB

PY2004014395 Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Apr 95 p 2

[Commentary by Dora Kramer: "Such is Politics"]

[FBIS Translated Text] In a manner that is disguised and cautious, the government will strip the PMDB [Brazilian Democratic Movement Party] of a good deal of power. President Fernando Henrique Cardoso has already concluded that the management of government policy in the Chamber of Deputies cannot rely on the jealousy between the government leaders in the Chamber, Luis Carlos Santos, and in Congress, Germano Rigotto, both of them PMDB members.

Even the walls in Congress know that they did not become leaders through their outstanding wisdom or their capacity to arrange votes and manage conflicts. Neither of the two has obtained either the confidence of Planalto Palace or a free communications channel with the Palace. They are leaders by the grace of an agreement born from the government's need for PMDB votes.

The point is that they cannot even guarantee PMDB votes, provoking dissatisfaction wherever they go. They dispute power between themselves while making things harder for the government, because instead of calming

down the grassroots—who are uneasy over the delay in the distribution of federal posts in the state—they add more fuel to the fire.

In the middle of this, PMDB bloc leader Michel Temer is regarded as a good fellow who is, however, paralyzed by the confusion. As in the children's game of tug-of-war Santos and Rigotto each pull in their own direction, and Temer does what he can to avoid losing both arms.

Last week Temer confessed that he was unable to even summon the chairmen and rapporteurs of the committees looking into the constitutional reforms, as had been proposed by other government leaders. In one word, there is total confusion in the management of government policy in Congress. "There is great confusion," a leader said to describe the lack of understanding and coordination.

As the president said to a group of lawmakers on 7 April in Recife, things must rapidly change. Leaders will certainly not be replaced now. The president will not disavow his official leaders, either formally or informally. Yet procedural changes will show, in practice and with time, that the PMDB will only apparently belong to the government's leading sector. From a formal viewpoint, however, nothing will change.

In routine activities, Chamber President Luis Eduardo Magalhaes will intensify his communications with Planalto Palace, while Inocencio Oliveira will informally coordinate voting sessions, with Jose Anibal as his auxiliary.

Even though PSDB [Brazilian Social Democracy Party] leader Michel Temer is closer to the president than PFL [Liberal Front Party] leader Oliveira, the latter has the experience and malice of someone who has been a Chamber president.

Luis Carlos Santos, Germano Rigotto, Michel Temer, Jose Anibal, and Inocencio Oliveira will today hold a meeting, which will be attended by Chamber President Luis Eduardo Magalhaes.

An effort will be officially made to reach an understanding. One of the decisions will be to hold weekly meetings on Tuesdays to discuss the contents of each week's agenda, identify matters in which the government is interested, and establish methods for action.

This will be done in order to prevent events like the one that occurred last week, the day before the vote that overturned the veto of the elimination of the TR [Reference Interest Rate] for rural credits, when President Cardoso held a long talk with one of the government leaders in the Chamber of Deputies, who did not even mention the vote scheduled for the following day. For some reason the government leader in Congress failed to advise that Planalto Palace was about to be faced with a deficit of 10 billion reais.

Everyone is already convinced, really, that the simple formality of gathering everyone around a table on a specific date and at a specific hour would not be sufficient to impede other defeats. Incidentally, it is not yet clear whether such defeats were caused by incompetence, naive attitudes, or bad faith.

New PSDB Leader Admits PFL's Firm Role in Government

PY2104004595 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Apr 95 p A7

[Interview with Senator Artur da Tavola, president of the Brazilian Social Democracy Party, PSDB, by Gilse Guedes; place and date not given]

[FBIS Translated Text] [Guedes] What coordination effort will be made to get the constitutional amendments approved?

[Tavola] The PSDB must first realize that it is not the ruling party, that it is just a member of the ruling coalition. The PSDB is the president's party. My first measure as president was to take the PSDB from the headlines by defusing the crisis between (Communications Minister) Sergio Motta and Pimenta da Veiga. I believe this problem has been resolved. Second, we are forming within the party one study group for each proposed constitutional amendment, so that these groups can discuss these amendments and assist the PSDB leaders in the Senate and the Chamber of Deputies. The PSDB must publicly defend the reforms in debates, on the streets, and in public rallies. The PSDB must do this openly and vigorously to support the president. The president is prepared to introduce changes to the proposed amendments and will listen to the PSDB ideas. We will all be united in supporting these reforms. The PSDB must be on the front line of the reform movement.

[Guedes] The government leaders in Congress had problems in organizing the government bloc when Congress voted to override a presidential veto that maintained the Reference Interest Rate [TR] as a reference index for agricultural loans. Was there a dispute among them?

[Tavola] I do not think so. Rather than a dispute, I would say that there was confusion there. I believe there was some lack of coordination. This can happen during the early stage of a legislature.

[Guedes] Are you going to serve as the government's political coordinator?

[Tavola] I am just someone who is willing to cooperate. It will be up to the president to decide how and to what degree I should cooperate. If he asks for greater cooperation by the party, he will get it. If he wants greater coordination among leaders with the party performing a supporting role, that will be done. Thus the degree to which I will participate will be subordinated to the president's wish. If he wants me to help in the area of coordination, I will do that. This week I will contact the

president of the other member parties of the ruling coalition to organize joint rallies in the states to show that we are united. I am going to strive to have these parties find a way to work together instead of fighting among themselves over gaining a greater share of power within the government.

[Guedes] It has been claimed that the PFL [Liberal Front Party] has dominated and controlled the government. How much strength does the PFL carry within the government?

[Tavola] I do not believe the PFL has controlled the president. On the contrary, a president is usually alone at the top and needs support. The fact is that the PFL has lent its firm, decisive, and unanimous support to the president without major complications. The PMDB [Brazilian Democratic Movement Party] remains the most complicated among the ruling parties. The PMDB is full of difficulties and has a different feature in each state. The PSDB is facing some difficulties. The PFL has emerged as the most cohesive, competent party, and has therefore been more appealing to the president. The president has to take care of politicians who are happy, because if he starts turning toward those who are unhappy, the number of unhappy politicians will rise. My job within the PSDB is to focus my coordinating effort on the one-third of the party that remains uncoordinated, in order to make the PSDB a party of happy members.

[Guedes] How should the government deal with lawmakers who are asking for more investments in their states, as well as for second and third echelon government positions in exchange for their support?

[Tavola] You have all kinds of people there. You have people who legitimately ask for something for the sake of their states, and you also have people trying to promote their own political interests. The government's problem is to try to tell them apart. Yet it cannot do that by blaming those who are struggling to get something better for their states. These people are not necessarily political opportunists, because they were elected to do precisely that.

[Guedes] Should the government withdraw its proposed social security amendment?

[Tavola] I have learned by experience that each proposal goes through a difficult stage. We should let the proposal follow its own course. A good proposal will be ultimately achieved by mixing the government proposal and the amendments proposed by the deputies. We are moving toward consensus, and an approval can be expected this year. We must get rid of the mental prejudice that the social security proposal is going to be stalemated.

[Guedes] Did the government have a faulty communications strategy?

[Tavola] The government did not realize that it would be necessary to intensify its communications strategy from

the very beginning. It believed that because it meant well and had submitted important reforms, these would be readily approved. I believe the government is already taking measures to clarify the proposals. I believe this will be accomplished through improving the channels of information, because there is no room for rumors when the correct information is available.

Article Notes Industries Delay in Tax Payments

PY2104020995 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Apr 95 Section 1 p 4

[Article by Antonio Carlos Seidl]

[FBIS Translated Text] Sao Paulo industries are experiencing a "carousel of debt payment defaults," postponing the payment of taxes in view of the atmosphere of economic uncertainty caused by the high interest rates and threats of new anti-consumption measures.

FIESP (Sao Paulo State Federation of Industries) President Carlos Eduardo Moreira Ferreira said the fiscal "swindle" and the default crisis (caused by the inability to collect taxes on their due date) is affecting most Sao Paulo industries.

Moreira Ferreira said the drop in the number of orders being placed—which began a month ago—and the delay in payments to suppliers and the industrial sectors, is leaving companies without enough resources to pay federal, state, and municipal taxes.

Although the exact amount of the Sao Paulo industries' fiscal debt has yet to be figured out, FIESP is concerned over the "huge increase" in the number of defaulting enterprises.

Moreira Ferreira said: "Enterprises prefer to pay salaries." In his opinion, companies would rather "owe money to the Revenue Secretariat" than "to be fool enough" to owe money to the banks.

He said: "Only someone wanting to commit suicide would borrow money from banks now that the level of interest rates is so high," adding: "Honestly, it would be crazy to go to the banks to ask for money to pay taxes."

Moreira Ferreira said he hopes this failure to honor debts is only "temporary." He said FIESP will ask Sao Paulo Governor Mario Covas to pardon the fines charged at the time of paying the ICMS (Goods and Services Movement Tax).

He said: "We suggest the issuance of a decree establishing a more favorable position for enterprises that are behind with payments."

He criticized the "daily" announcement of "possible" new anti-consumption measures which "creates great instability and prevents entrepreneurs from planning their activities."

FIESP believes there is no need to implement any more "bitter" measures to reduce consumption because,

according to Moreira Ferreira, "current interest rates make other measures unnecessary."

Moreira Ferreira again asked Congress to be swifter in voting on the constitutional reforms and asserted that these reforms are "indispensable" for a successful anti-inflation effort.

War College Commanders Defend 'Democratic' Protests

PY2104014195 Sao Paulo GAZETA MERCANTIL in Portuguese 11 Apr 95 p A7

[Article by Maria Cristina Fernandes]

[FBIS Translated Text] Demonstrators who took to the Brazilian streets over the last few weeks to protest against Fernando Henrique Cardoso's Government received on 10 April unusual support from the Superior War College (ESG), which is the most important center of military and strategic affairs in the country. The ESG is directly subordinated to the Armed Forces General Staff (EMFA).

Upon leaving the ESG command on 10 April, Lieutenant Air Brigadier Sergio Xavier Ferolla said that criticism should be received "naturally" by President Cardoso. "Criticism is natural, and those who claim to be democrats should accept criticism as part of democracy," he said.

His successor, Massao Kawanami, who is a man of few words, also left his testimony in the defense of the street demonstrations. "We are in a democracy, and demonstrations are acceptable. The president's contact with the people is healthy," he said.

Aeronautics Minister Mauro Jose de Miranda Gandra, however, defended the president of the Republic.

"Be they members of the CUT [Sole Workers Center] or the PT [Workers Party], the demonstrators are shooting themselves in their own feet. Can't they wait three more years for the administration to change?" the aeronautics minister said.

EMFA Minister Benedito Onofre Bezerra Leonel, who also attended the ceremony, simply said that the demonstrations "make no sense." However, in defending a special retirement and new salary policy for the military, the EMFA minister was more intransigent and succinct. "The military are no better or worse than anyone else, they are just different. All we want is for this difference to be recognized in their retirement," he said.

The EMFA head greatly criticized the current salary policy for the military sector, which according to him subjects them to a degrading "soldier's pay." The most optimistic of all the military commanders present at the ceremony, Aeronautics Minister Gandra, said he expects that relations between the executive and legislative branches will become better. "Things are improving.

The defeat of that group of congressmen (ruralists) is part of democracy's see-saw."

Contrary to the traditional alternation between the Armed Forces branches at the head of the ESG, the Aeronautics Ministry has preserved its prerogative of appointing a new commander, but the brigadiers who succeed each other in the so-called Brazilian "Sorbonne" could hardly have more different profiles.

The first military officer of Japanese descent, Lieutenant Air Brigadier Massao Kawanami is of a more liberal origin than his predecessor Sergio Xavier Ferolla, who is also a lieutenant air brigadier.

"The times we are catching a glimpse of are far from optimistic," Ferolla said in his farewell speech. For two years he opened the doors of the ESG to people who had been persecuted by the military regime, and cultivated relations with the leftist parties.

But Brig. Ferolla, who opposes the government proposals to ease state monopolies, has a successor better tuned with President Fernando Henrique Cardoso's discourse. "This discussion (monopolies) is controversial because it awakens obstinate points of view on both sides," Brig. Kawanami said, thus giving a small example of what may become the ESG style for the next two years.

Chile

Cabrera Appointed New Navy Under Secretary

95P20730A Santiago LA NACION in Spanish 8 Apr 95 p 12

[By Claudia Saavedra]

[FBIS Translated Text] "Relations with the Navy have been ones of mutual cooperation, frank, open, and transparent," outgoing Navy Under Secretary Carlos Eduardo Mena said yesterday. He resigned this post to take up another at the United Nations.

With moving words to those who had shown him affection at very difficult times in his personal life, Mena said farewell yesterday. He will be replaced by Pablo Cabrera, the former director of special policies at the Foreign Ministry. The ceremony in Room 7 of the Diego Portales building was attended by Defense Minister Edmundo Perez Yoma and Navy Commander in Chief Admiral Jorge Martinez Busch.

Mena stressed three achievements since he had taken the post on 11 March 1994. These were: defining and writing the supreme decree of December 1994, which established national policy on the coastal area; setting up an automated management system in the office of the under secretary which made it possible to speed up the everyday work of the officials and thus the decision-making process of that office, which is part of the

Defense Ministry; and speeding up the awarding of permits for maritime and aquaculture concessions.

Upon accepting the post of Navy under secretary, Pablo Cabrera, a career diplomat with 25 years of service, undertook to follow his predecessor's line in terms of transparency and frankness, within the philosophy and principles that guide the government.

Supreme Court Removes Appeals Court Judge

95P20731A Santiago LA NACION in Spanish 7 Apr 95
p 8

[FBIS Translated Text] The Supreme Court removed Humberto Nogueira, a doctor in constitutional law and the writer of the two opinions stating that international treaties prevail over the 1978 amnesty law, from the list of lawyers who are members of the Santiago Court of Appeals.

This was reported by lawyers Hector Salazar and Nelson Caucoto, who stated that the lawyer was punished by the high court. They said that this sanction must be related to Nogueira's statements to the press in which he noted that the treaties signed by Chile guarantee that the Supreme Court is not the highest recourse; rather, international law is.

The opinions written by Nogueira established that the amnesty law is not applicable because Chile has ratified the Geneva conventions on the treatment of prisoners during an armed conflict. With this argument, the lawyer, who is a member of the appeals court, along with the judges of the Third and Eighth Chambers of that court, resolved not to apply the amnesty in the cases of the murder of Lumi Videla and the disappearance of Barbara Uribe and Edwin Van Yurick. The rulings caused controversy by establishing a position that the human rights organizations had been demanding of the courts.

Both cases are currently in the hands of the Supreme Court, which must determine definitively if the thesis of the preeminence of the treaties over the Chilean law that prevents punishing those responsible for human rights violations will be upheld.

Caucoto and Salazar, who work for the Christian Churches Social Aid Foundation (FASIC), said that they feel it is a serious thing that a lawyer who has always been extremely well qualified had been removed from the court.

Correction to 'Concern' Expressed on NAFTA Negotiations

PY2004181595

The following correction pertains to the item published in the 19 April Latin America DAILY REPORT, on page 21, headlined "'Concern' Expressed Over Accelerated NAFTA Talks."

Column one, last paragraph, only sentence, make read: ... negotiations on 31 May in Toronto, ensuring ... (correcting month from "March" to "May")

Colombia

Samper Unveils Measures To Bolster Security

PA2004185695 Santa Fe de Bogota Emisoras Caracol
Network in Spanish 1700 GMT 20 Apr 95

[News conference by President Ernesto Samper, during "an unexpected visit to the Colombian Defense Ministry to discuss matters of national interest," with domestic reporters and an unidentified moderator in Santa Fe de Bogota—live relay]

[FBIS Translated Text] [Moderator] Before opening the news conference, the president will address all of you.

[Samper] Good morning, everyone. I have decided to come to the Defense Ministry to reiterate to the High Commands of the Armed Forces and police the national government's support and solidarity in the struggles they are waging against crime and in support of security for an increasing number of Colombians.

This visit coincides with the regrettable death of Police Major Ramirez, a new victim Colombia has sacrificed in this struggle—a struggle we are firmly and sovereignly waging against the international scourge of drug trafficking.

With the defense and government ministers and the High Commands, we have outlined specific actions to redouble our efforts against three forms of insecurity that are quickly spreading in Colombia: the insecurity produced by subversion, the insecurity produced by drug trafficking, and the insecurity produced by common crime.

In the face of these three forms of insecurity, we have evaluated a possibility I have presented to them—the possibility of making evaluations based on specific results; the possibility of following up, day-by-day, on the actions carried out by our Armed Forces and the police to combat the various expressions of violence. These actions must be measured in terms of specific results, specific deadlines, and specific standards to allow us to be certain we are making progress, because we want to continue fighting and abolishing insecurity, and because we will not leave this country in the hands of subversives, drug traffickers, or urban criminals who have turned crime rates into one of the greatest sources of concern at the social level.

This is, in sum, the purpose of my visit. I will expand on this, of course, as you ask your questions.

[Moderator] The news conference on this issue is now open. Sandra Vergara of the "National Newscast" will start.

[Vergara] Good Morning, Mr. President. I have two questions regarding what you have just mentioned. The first has to do with the measures you and the High Command authorities are going to take regarding the guerrilla forces, drug trafficking, and common crime. I want to add to this question a second question, Mr. President, which has to do with the social and political sectors of the country who insist that the guerrilla forces, specifically the narco-guerrillas... [pauses] that is, that we Colombians live under the power of these narco-guerrilla forces.

Yesterday, we saw an example in a television newscast of a member of the guerrilla forces, who was in an area where a narcotics agent's helicopter was shot down by the FARC [Revolutionary Armed Forces of Colombia], who was quite pleased with himself. He was very calm, and, moreover, he was telling the country that if such operations continue, they are going to continue to shoot down aircraft. What specific measures are going to be taken, Mr. President?

[Samper] Well, today we adopted the following measures. First, we are going to make the highest investment ever attempted by any administration to equip the Armed Forces and the police. Our goal is to invest \$2 billion in the next three and one-half years, which will allow us to completely equip and modernize the motorized, air, and maritime units which currently make up the logistical support of our Armed Forces and police. I want to stress that included in this equipment is the purchase of more than 100 helicopters, which will allow us greater mobility, not only in the fight against the cultivation of illegal crops, which will continue to be a priority of this administration, but also in the fight against sedition.

Second, today we have adopted the creation of a national intelligence system. This does not simply deal with, as some people believe, increasing the strength of the various organizations. We are also going to improve the intelligence capacity of the Colombian security organizations.

We are doing this to prevent what you have pointed out from happening—namely, that countless citizens come under the influence of drug traffickers and guerrilla forces. All people need to have access to the security forces, and to face the criminals and defeat them, we are going to continue to improve the intelligence services, obviously counting on all people to serve as part of our intelligence systems.

Third, as I have already said, is the adoption of a follow-up policy through specific results that will allow us to have more permanent monitoring of the activities occurring in the fight against this type of violence.

I can give all Colombians the assurance that we are not going to lower our guard in the struggle against this type of insecurity. That we are going to keep in mind the human sacrifices that have grieved us all—sacrifices

such as that of Major Ramirez, who was lost this week—to continue the fight, to strengthen it, to give it more technical support, and to improve it.

[Moderator] Luis Eduardo Maldonado of Radio Cadena Nacional.

[Maldonado] Mr. President, Senator Jesse Helms said that he will present his famous witness Maria to the U.S. Congress tomorrow. Are you afraid of what she might say against you? Can you assure the country or swear, as some have suggested, that you have never had ties with the cartel?

[Samper] I think that this country, as we have seen this morning, has very serious problems. Problems such as the struggle against drug trafficking and the guerrillas. We are also developing very important programs, such as the national employment program, one pertaining to the social leap, and we are trying to promote tax reform. I can tell you that neither Senator Helms nor Mrs. Maria are making me lose any sleep with regard to these problems. This country has very important problems, but unfortunately, certain media are turning Senator Helms into a hero or a national figure whenever he makes a statement against Colombia and the Colombian people regardless of when and where.

[Moderator] Jaime Acosta of REUTER.

[Acosta] Mr. President, what message or specific request would you make to the international community, taking into account that, as you (?wanted), Colombia has intensified its struggle against drug trafficking and the guerrillas, and it is virtually sending Police [words indistinct] that are not armed and not equipped with artillery, but are, nevertheless, reaching the goal of eradicating illegal crops.

The United States, however, continues to insist that it has failed to implement effective and specific actions, and Senator Helms has insisted on imposing an economic blockade or economic sanctions against Colombia. What would you say to critics of your narcotics policy and of the Armed Forces of Colombia?

[Samper] To come here to see what we are doing; to not base their evaluations of Colombia's narcotics policy on rumors, slander, [word indistinct], or gossip, but on facts. Facts are what Colombians can show in its struggle against drugs. Facts about the eradication of plantations: more than 5,000 hectares so far this year. Facts about the seizure of precursor chemicals: 3,000 tons of sodium carbonate. This is one of largest precursor seizures in the world. Facts such as the boarding of vessels, such as the ones seized this week. Facts such as the pursuit of the cartels that has yielded the results that are apparent from the Cali Search Bloc.

We have a right to be judged by facts and not by rumors and [word indistinct]. We are also entitled to demand that drug consuming countries assume their responsibility of reducing consumption levels, banning the sale of

precursor chemicals used to process coca leaves into cocaine, and in the struggle against money laundering. Our justice minister is proposing the signing of a hemispheric agreement in Washington.

This is the international responsibility that we aspire to share. We have experienced difficult times because of terrorism. I sent a letter yesterday to President Clinton regretting the developments in Oklahoma that remind us of our own experience in 1989 with the explosion of the building of the Administrative Department of Security, DAS. Thus, we want a relationship of international cooperation in which each party assumes its responsibility without giving up its right to demand that the other party also assume its responsibility.

[Moderator] Sabina Hernandez of Toledar.

[Hernandez] Mr. President, good afternoon. Do you think that the measures adopted today, the ones you just announced, are really sufficient to prevent the guerrillas from appearing, as was the case of the helicopter, everywhere in the country without the Army being present to fight them?

[Samper] There is a presence. What has happened is that the guerrillas sometimes are able to [word indistinct] within the civilian population. Through the two measures that we adopted today, we will facilitate greater mobility of Army members through the use of helicopters and through the national intelligence system, and we will also be able to enter zones where guerrillas are present. I repeat, we are capable of improving efficiency in the future in this continuing struggle against subversion.

[Moderator] Alfredo Escobar of EL TIEMPO.

[Escobar] A short while ago, you said that cooperation should exist between the international community and Colombia. According to a press report today, however, Resolution 301, which deals with the banana export conflict between the EC and the United States, could be applied to Colombia. This does not sound like cooperation. Your letter to President Clinton portrays the Colombian Government as being somewhat weak.

[Samper] Well, the Colombian banana is not weak. It is strong. Our letter to President Clinton expresses an important reality. We should not be asked to eradicate illegal crops without also having the opportunity to sell products whose absence from certain areas would lead people to plant illegal crops. This is what we have specifically pointed out regarding Uraba.

Nevertheless, I am not pessimistic about the possibility of soon reaching a compromise on the banana issue, provided the rights of Colombia and Costa Rica are respected in order that the World Trade Organization and the World Trade Treaty, which was recently approved in Colombia, can provide scenarios and standards for these subjects to be debated. Within the past few days, the Colombian ambassador to Brussels carried

out certain negotiations. I dare think that in a very few days we will be able to offer a settlement of the so-called Banana war.

Colombia is a kind of minor partner in this problem, because this is really a conflict between the EU and the United States. I repeat: I hope that, through the formulas that have been proposed to expand the quotas of some Latin American exporters, Colombia will be able to redefine its own quotas and find some means to preclude the application of Resolution 301, which has been described as a garrote.

[Moderator] Juan Carlos Giraldo of CMI.

[Giraldo] Good morning, Mr. President. This is a question that I discussed and agreed on beforehand with my [word indistinct] colleagues. Here it is: With due respect, Mr. President, the media have plainly understood that you said recently you would be an open book. We understand you very well, and I believe you. But a little black man in Choco [25-second break in transmission]

[Samper] Anyone wanting to look into any event in my life can feel free to do so, not once but several times. There is no need for an oath. I have told the local and international media that I have never received money from drug traffickers. Also, I can assert this with no sense of guilt. Of course, I hereby invite anyone to present evidence of this. We live in a de jure state. Because the president of the Republic is the head of this de jure state, however, such subjects should be dealt with carefully to avoid offending any Colombian citizen in general or the dignity of the president's position through rumors or slander.

[Moderator] Finally, Carlos Ruiz of Caracol.

[Ruiz] Mr. President, you have reported that a military crackdown was launched today against all forms of crime and violence. Does this mean you have closed the door to any negotiations with the groups that have taken up arms, the people who have rebelled against the state, even though they might be interested in a political solution?

[Samper] Quite the contrary, I want to reaffirm what I have said many other times. According to the decisions we have made today, we think peace is possible and that it is our duty to seek it. Nevertheless, peace should be sought without the Colombian Government's relinquishing of its constitutional duty to maintain its military presence in every corner of the country. I wish to reiterate the government's willingness to find a political solution to the armed conflict. This is something we have been telling the high commissioner for peace for several months. We are waiting for an unmistakable sign from the rebels. If this signal is received, the government is willing to work for a political solution for peace, provided we are certain that we will not get up from the bargaining table until a permanent peace agreement is attained. This is what all Colombians want.

Chief of Antinarcotics Command on Training for Guerrillas*PA2104035195 Mexico City NOTIMEX in Spanish
1756 GMT 20 Apr 95*

[FBIS Translated Text] Santa Fe de Bogota, 20 Apr (NOTIMEX)—Colonel Jose Gallegos, chief of the National Antinarcotics Command, said here today that former Sandinist and Central American rebels are providing military training for Colombian guerrillas.

In an interview published on Thursday, the police officer told EL ESPECTADOR "we have received information regarding anti-aircraft attack training directed at aircraft used in the fight against drug trafficking."

According to the source, other intelligence documents indicate that former members of the Sandinist People's Army of Nicaragua are teaching members of the Colombian guerrilla movements how to use anti-aircraft missiles to shoot down helicopters and airplanes.

The opposition daily LA PRENSA published a report on 19 April stating the Colombian rebels were negotiating the purchase of anti-aircraft missiles to be used against Colombian aircraft carrying out dusting operations to eradicate illegal crops.

EL ESPECTADOR maintains that another group of Colombian guerrillas has managed to travel to other Latin American countries where there is a guerrilla presence to learn anti-aircraft attack tactics.

In 1991, government security organizations reported the entry of weapons from Nicaragua destined for the Colombian guerrillas. Most of the weapons were Russian built surface-to-air anti-aircraft missiles.

In October of that same year, the police announced the seizure of a load of weapons headed for Colombian guerrillas and drug traffickers. Sandinists and members of the Farabundo Marti National Liberation Front (FMLN), the former Salvadoran guerrilla organization, were involved in the scheme.

One month earlier, one Colombian citizen and five Nicaraguan soldiers were arrested in Managua while preparing a shipment of military supplies for Colombia.

Gallegos admitted the Colombian guerrillas have, in fact, improved their tactics over the last few months, adding "we are now evaluating information regarding training efforts foreigners are reportedly providing somewhere in the country."

The Simon Bolivar National Guerrilla Coordinating Board (CNGSB) has downed three Narcotics Police helicopters this year and has completed 30 attacks against airplanes carrying out dusting operations of illegal crops.

The reports of the alleged presence of Nicaraguan anti-aircraft weapons and attack specialists appeared just as

the Colombian Congress declared Nicaraguan Ambassador to Colombia Ernesto Salmeron persona non grata.

The Chamber of Representatives has accused the diplomat of improperly handling the delicate issue of the marine boundaries between the two countries.

Checks Seized in 1994 Cali Raid Discussed*95CA0182A Santa Fe de Bogota EL TIEMPO in Spanish 29 Mar 95 p 3A*

[Unattributed article: "Drafts for \$2 Billion Negotiated in 72 Hours"]

[FBIS Translated Text] *Searches in Cali Could Revive Tapes*

Searches conducted in Cali by the Swat Team eight months ago on Exposal and the office of accountant Guillermo Pallomari Gonzalez could well open up a veritable Pandora's box.

In less than 72 hours, firms in Cali whose business purpose is being investigated by the Office of Prosecutor General paid out over 2 billion pesos to an undetermined number of persons.

Although the daily newspaper LA PRENSA has published photocopies of several of the checks and maintains that despite their existence, the Office of Prosecutor General has not reopened the investigation into the so-called "drug tapes," Prosecutor General Alfonso Valdivieso warned that two legal actions are involved and were handled separately.

"The preliminary investigations stemming from the Cali searches have moved forward with all due speed and the Office of Prosecutor General has assigned such priority to the investigation that the case was transferred to Bogota on 20 December on instructions from this office."

Another source was quoted as follows: "It is possible that parallel episodes exist relating to the shelved case of the drug tapes, but this question will be answered only by the continued investigation into the drafts totaling 2 billion pesos."

The scandal of the drug tapes broke 24 hours after Ernesto Samper Pizano was elected president. Tapes of telephone calls between brothers Gilberto and Miguel Orejuela and newsman Alberto Giraldo told of drafts made out to various persons and hinting that they were connected with the presidential campaign.

The then Prosecutor General Gustavo De Greiff ordered the closure of the preliminary phase of the investigation, deeming that there was insufficient evidence to link any of the aforementioned persons.

As reported, well-informed sources said yesterday that proceedings relating to the billions in drafts are moving forward independently of the drug tape case and "producing significant results."

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The transactions involve upwards of 5 to 200 million pesos. On 20 December, inquiries undertaken in Cali on 8 July of last year were assigned to an elite team of "faceless" prosecutors coordinated from Bogota.

The case now fills seven volumes containing over 4,000 pages detailing the results of the tracking of several of the checks by the Prosecutor General's Office.

According to one source, several of the recipients of the sums negotiated have already been interviewed in the course of preliminary investigations, during which prosecutors seek to establish the purpose behind the transactions.

These inquiries have led to over 150 legal proceedings ranging from expert reports to several accounting books turned up by searches, not to mention a painstaking review of several tapes and other documents relating to payments made.

Since July of last year, EL TIEMPO and other media have published a number of documents discovered during the raids. Of particular interest are those mentioning former deputy and former ambassador Eduardo Mestre Sarmiento, Senator Armando Holguin Sarria and the former prosecutor for the Judicial Police, Guillermo Villa Alzate.

File 8000

Evidence gathered in connection with the preliminary investigation conducted by the Office of Prosecutor General—in File No. 8,000—is a document discovered during searches targeting Gonzalez Pallomari. The document contains a list of names, each accompanied by a figure ranging from 3,000 to 10,000.

One of the names is that of Santiago Medina, treasurer of the presidential campaign of Ernesto Samper and R. Garavito, along with the address of the headquarters of the Barquist People's Liberal Party of Manizales.

Both have explained that while they cannot guarantee it, it is their understanding that the list shows the number of T-shirts handed out by supporters during the election campaign.

Other names on the list are: A. Araujo, Giraldo, Pacho, A. Irigorri, J. Lara (Monteria), Araujo and Gob. (Valledupar), R. Gonzalez (Bucaramanga), K. Becerra, A. Holguin, S. Bustamante, Clementina, Vega, Romero, M. Guzman, Panchano, J. Carlos Munoz, and C. Abadia.

Checks

Yesterday LA PRENSA carried part of the information relating to former Senator Eduardo Mestre relating to the first of the drug tapes. It also published photocopies of two check stubs from drafts made out to one Eduardo Gutierrez. The checks, for 100 and 200 million pesos, bear the notation for "Champana 3."

According to one source, "the country must realize that this is no recent investigation. It began 8 months ago and various branches of the media have had access to parts of the information."

The article carried yesterday by the Bogota daily LA PRENSA shows a total of five check stubs found in a raid conducted last year on Exposal offices in Cali. This is the same company now being subjected to questioning about storing five tons of cocaine in its warehouses at the Port of Colon (Panama) [sic].

Two of the check stubs, for 5 million pesos each, are made out to Eduardo Mestre as a "monthly allowance." Another, for 10 million pesos, is made out to Alberto Giraldo, a newsman famous for his participation in the "drug tapes."

Actually, these last two stubs are the only new evidence in the case. As early as 14 July of last year, EL TIEMPO reported the discovery during a Swat Team raid in Cali of bank drafts involving Mestre Sarmiento and Senator Armando Holguin Sarria.

The check for 2 million pesos, made out to Holguin Sarria, was to go into an account opened at the main branch of the Bank of Colombia in Cali, but was still in the hands of Guillermo Pallomari Gonzalez, alias "Reagan," and therefore had not yet reached the senator.

At the same time, in an interview with EL TIEMPO, Mestre defended himself much as he did yesterday, claiming that he did not know Pallomari Gonzalez and had no account with the Bank of Colombia in Cali. He also claimed that Omar Perez had transferred 35 million pesos to him from the Agrarian Fund in Bogota for two Persian rugs and a painting by Enrique Grau which he had sold to him.

SEMANA Denies Rumors of Censorship

95P20727A Santa Fe de Bogota EL TIEMPO in Spanish 5 Apr 95 p 6A

[FBIS Translated Text] The controversy stemming from the alleged interference by a government representative in SEMANA magazine began to die down yesterday when the director of that publication, Mauricio Vargas, expressly acknowledged that the government had not imposed any censorship on the publication.

The management of that weekly magazine issued a statement affirming: "I) that at no time did high-level national government officials exert any pressure whatsoever on journalists or the management of the magazine with the intention of having the aforementioned SEMANA report modified or its publication suspended. What did occur—as is appropriate in the professional practice of journalism—were a series of consultations, conducted over the course of several days and undertaken at the initiative of SEMANA, not only with various Colombian Government sources, but also with U.S. sources, to discuss information and opinions expressed in that report;"

"2) that once the issue of the magazine had gone to print, persons identifying themselves as members of State and presidential palace security units made a series of visits to the offices of Tecimore—where SEMANA is printed—and the magazine's headquarters. These visits, as well as the strange questions posed by these visitors, were reported by SEMANA management to Presidential Advisor Juan Fernando Cristo. The presidential palace—by way of Secretary General Juan Manuel Turbay—immediately called for an investigation aimed at clarify the incident."

For its part, the government emphasized that the unfortunate episode was a totally isolated case. For this reason it requested an investigation by the Attorney General, noting that it respects that freedom of the press.

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Ecuador

Leoro Blames Peru for Continued Border Closure

PA2004182395 Quito Voz de los Andes in Spanish 1700 GMT 20 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco has asked Peru to review its position concerning the reopening of Ecuador's southern border. He added that the Peruvian authorities must change their outlook to allow the border to be reopened, taking into consideration the demobilization and demilitarization process in the zone. Leoro Franco added that the government will wait patiently for Peru to change its position on this issue.

[Begin recording] [Leoro] We have adopted a flexible position to resolve the people's social and economic problems. If there is no corresponding reply from Peru... [pauses] This is simply something we cannot criticize, but we would like them to change their position.

[Reporter] Peru has stated that Ecuador is in no condition to make demands [words indistinct] the zone.

[Leoro] Do you mean Peru has stated this is a bilateral decision? It is not. It is caused by the presence of 220 tanks along the border. [end recording]

The border between Ecuador and Peru has remained closed since the border conflict erupted between the two countries. Ecuador demands a Peruvian military withdrawal from the zone while Peru demands that Ecuador unconditionally open the border.

Paraguay

Foreign Ministry Defines Functions of New Deputy

PY2004201395 Asuncion NOTICIAS in Spanish 13 Apr 95 p 20

[FBIS Translated Text] Foreign Minister Luis Maria Ramirez Boettner has signed resolution 43/95 establishing the duties and responsibilities of new Deputy Foreign Minister Luis Enrique Chase Plate. "In his capacity as second in the hierarchy at the Foreign Ministry, replace the minister in case of temporary absence or impediment," the first point explains.

"B. [no letter "A" as published] Supervise the operation of the ministry and employees' fulfillment of their duties and responsibilities, in accordance with the minister's instructions;

"C. Follow the operation of the Itaipu, Yacyreta, and Corpus binational entities;

"D. Coordinate the annual preparation of the Ministry's budget;

"E. Advise the minister on proposals and projects developed to improve the administrative and diplomatic public functions;

"F. Coordinate relations between the ministry and both houses of Congress' advisory committees, national authorities, and administrative organs, decentralizing the role of the Foreign Ministry according to the minister's instructions;

"G. Supervise reports and other information of a general nature prepared for presentation to the president of the Republic through the minister;

"H. Supervise the operation of the Diplomatic and Consular Academy and other Ministry departments;

"I. Fulfill and supervise the fulfillment of legal dispositions regulating the operation of the ministry and the fulfillment of instructions and orders issued by the minister;

"K. [no letter "J" as published] Sign ministry's correspondence, with the minister's authorization, and sign other administrative documents; and

"L. Fulfill other duties established by the minister."

Peru

Ministers Resign En Masse Pending Transition Cabinet

PY2104032595 Lima Global de Television Network in Spanish 0130 GMT 21 Apr 95

[FBIS Translated Text] In remarks to the press, Agriculture Minister Absalon Vasquez Villanueva confirmed yesterday during the weekly cabinet meeting that all the ministers had

tendered their resignations en masse to the president of the Republic to give way to the transition cabinet.

He also announced that during the current legislative session the bill on land and water will be approved. He said that this was a vital instrument for agricultural development.

[Begin recording] [Unidentified reporter] Have all the ministers tendered their resignations to the president of the Republic, who said that he would make some changes in his ministerial cabinet?

[Vasquez Villanueva] Yes. Of course, this could take place at any time during the year. The ministries are posts that are dependent on the confidence of the president. Any minister within the cabinet is just a soldier, ready to play any other role or to resume his personal activities.

[Reporter] Has the president decided on the changes he will make?

[Vasquez Villanueva] I do not know. But the resignations have been handed over to the president, and he as chief of the team will have to evaluate the situation thoroughly.

[Reporter] [passage indistinct]

[Vasquez Villanueva] Look, this does not depend on any of us. It depends entirely on the president of the Republic...

[Reporter, interrupting] But are you willing to [word indistinct]?

[Vasquez Villanueva] Look, that is a decision to be made by the president alone.

[Reporter] Mr. Minister, you referred to the bill on land and water. When will it be approved in Congress, do you know?

[Vasquez Villanueva] I think it will be approved by May or June at the latest, because the Executive and Legislative Branches have both given maximum priority to this issue, as it is a vital bill, and should be approved before the start of the new presidential term. It would be very favorable if some framework law were approved to deal with the overall agrarian issue. This law would provide greater assurances and greater guarantees, because if approved as a simple law it could be manipulated very easily. [end recording]

Daily Assesses Fujimori's Announced Victory
PY2004195695 Lima LA REPUBLICA in Spanish
11 Apr 95 p 18

[Editorial: "Fujimori: An Announced Victory"]

[FBIS Translated Text] Now the campaign and the elections are over, unofficial reports give the president-candidate victory with more than 60 percent. It is estimated he may even improve on the 62 percent he obtained during the 1990 electoral runoff against Mario Vargas Llosa.

This is an achievement that cannot be ignored or questioned, yet it must also be stated that it took nobody by surprise. Fujimori was the favorite candidate throughout the campaign and, despite some ups and downs, at the ballot boxes he obtained a level of support very similar to that obtained by his administration.

It should also be stated that for many months—during which he refused to confirm his reelection bid, making it the biggest "mystery" of the political scenario—the chief of state was the only one to canvass the whole country on innumerable tours during which he dedicated or set the cornerstone of countless projects.

This ability to be everywhere at once as either as president or candidate—many times combining both roles—made the electoral campaign extremely unfair because his popularity was never matched by any of the candidates nor by all of them together.

In addition to all this comes the obvious use of the state apparatus—repeatedly denounced—and the clear determination to involve every prefect, deputy prefect, and governor in the chief of government's campaign in their respective jurisdictions, even though the electoral law expressly prohibits it.

Yet these facts, plus the historic precedent that an incumbent Peruvian president standing for immediate reelection has never lost an election, are not enough to explain what happened. A broad sector supports the chief of state, maybe because they would rather have the devil they know than the one they don't know, or because they want to reward the person who curbed hyperinflation and forced terrorism to withdraw and remain on the defensive.

This presentation seems to have been enough, because the chief of state never explained the program he intends to implement during his second term in office. He only mentioned past achievements and promised to continue the progress so far, which all boils down to a matter of faith in a blank check.

Moreover, throughout the interviews and news conferences granted, it was quite obvious that the chief of state tried to show a more pliable and less authoritarian image, a sort of "Phase 2 Fujimori," but it remains to be seen how far he will go and if this attempt will materialize. It is obvious that from there to a president familiar with democratic practices, promoting agreements and consensus, there is a great gap we must be careful to avoid, especially with the precedents accumulated during the past five years.

Had the firm prediction that the governing party would fail to obtain a majority in Congress become a reality, it would have forced it to resort to the democratic mechanisms used in all congresses of the world. But the vote return proved the contrary and, unless there is a last minute surprise, the Executive Branch will obtain its own majority and will not need to reach any pacts within

Congress, even with groups like the Renewal Movement with which it shares the same viewpoints.

This is, undoubtedly, bad news for a country that has experienced a controlled Congress for the past few years, during which any disagreeing or dissident voices were quashed by the majority. If there is anything that helps undermine democracy from within it is a prevailing unanimity and a continuity of powers which can drown any possibility of self-criticism or prevent the implementation of the indispensable control function. These become replaced by courtesan subservience or blind obedience.

Proof of what we say is in the dangerous hypothesis already trumpeted by governing party representative Martha Chavez—who, quite obviously, will be president of the next Congress—that under the terms of the new Constitution, Fujimori is just beginning his first term: which means he can seek reelection in 2000.

This follows a biased interpretation of the 1993 Constitution, and may well become the official theory. Thus Fujimori's supporters would not even need to change the Constitution—unlike Leguia [President Augusto Bernardino Leguia during the 1908-12 period]—in an attempt to secure a third term in office, which is perfectly likely because the president-elect only believes in a succession in power.

We hope there will be no attempt to misinterpret the current Constitution, but it is our duty to warn of this possibility and to state our opposition to a move that will dangerously turn the chief of state into a second Augusto B. Leguia, who managed to be reelected twice before ending as he did; a victim of a coup d'etat.

However, we must await the official results and the installment of the new government to see up to what point the Fujimori faction intends to change its image. He will have at least one point in his favor: As of 28 July, he will recover the constitutional power he lost during the self-inflicted coup on 5 April 1992.

There is no harm in noting, although it may seem unnecessary, that LA REPUBLICA will maintain its position during Fujimori's second phase, as we did with other governments. Because we have always reflected the peoples' will, we will continue to defend him. Not from a partisan or political front line position, but because we maintain the independence that has characterized us throughout our 14 years of existence and because of a reasonable sensitivity and vital commitment, even though it may sometimes seem we are swimming against the current when unanimity prevails.

Fujimori Warns Against Ecuadoran Arms Buildup
PY2104004295 Lima EL COMERCIO in Spanish
13 Apr 95 p A4

[FBIS Translated Text] President Alberto Fujimori warned today that the Ecuadoran Government policy of building up arms will affect the two countries' friendly relations.

The president noted the many implications of Ecuador's eagerness to purchase arms.

"Ecuador wants this race in order to match the power of the Peruvian Armed Forces. This attitude also shows that they were not well prepared when the conflict started, and so have been making last-minute purchases," the president said, after inspecting the educational material for the teaching of physics and biology that the government will distribute to schools around the country.

Asked about the real meaning of this Ecuadoran attitude, now that a peace process supervised by observers from the Rio de Janeiro Protocol member countries is under way, the president said:

"It is a regrettable attitude that will affect the two countries' relations, besides weakening Ecuador's economy, because conflicts are not based only on military power; they also depend on a country's economic strength," Fujimori said.

The president said that the more you talk, the more mistakes you make. He noted that despite Ecuador's information offensive the world realized that the news coming from that country was deceptive.

"This is clear, because even the Vatican took a definitive position of full support for the four countries guaranteeing the Rio de Janeiro Protocol," Fujimori said, emphasizing that reality cannot be hidden and international treaties cannot be unilaterally violated.

Peru Is Waiting for the Demilitarization Proposal

With respect to the process to separate Peruvian and Ecuadoran military forces from the conflict zone in the Condor Mountain Range, Fujimori said that the process was progressing according to schedule, thanks to the presence of the observers.

"A little slow, but it is moving ahead. We hope the schedule will be fully implemented, first with the separation of forces and the military concentration at Coangos and PV1 [Watch Post One], and then with the proposal from the guarantor countries and Ecuador for a demilitarized zone," Fujimori said.

The head of state stressed that there is increasing agreement over the need to respect the Rio de Janeiro Protocol, noting that representatives from many countries have already expressed the need for unconditional respect for the terms of the treaty, "a document that Peru will ensure is fully respected."

Lopez Trigos Continues as Chief of Staff

Continuing to talk about the conflict with Ecuador, the president categorically denied the reports stating that General Vladimiro Lopez Trigos was under arrest.

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"I strongly deny this. It is a press campaign aimed at deceiving or confusing things, orchestrated by the Ecuadorian press or government," the president said.

Fujimori confirmed that Gen. Lopez Trigos continues on as chief of staff of the Sixth Military Region based in Bagua.

The president said he has yet to decide whether he will attend the Rio Group meeting in Quito in September.

"I have not received any invitation. At the appropriate time I will evaluate the situation, and see if conditions are right. So far the conditions are not right. You know that I was even refused a greeting. I think I will have to evaluate the situation again before deciding," Fujimori said.

The head of state yesterday inspected the instruments for the teaching of physics and biology that will be distributed to educational centers.

The equipment was purchased from China at a cost of \$14 million, and will be distributed among 2,500 high schools and 100 technological institutes.

"The cost of the equipment per school is \$5,600. We still need to equip some 1,500 or 2,000 more high schools. In the future we will also equip primary schools and institutes of higher education," the president said.

The program includes teacher training courses, which will be coordinated with universities, for good use of the equipment in the practical teaching of physics, chemistry, and biology.

Brazilian Envoy on Elections, Conflict With Ecuador

PY2004225895 Lima EL COMERCIO in Spanish
12 Apr 95 p A5

[FBIS Translated Text] Brazilian Ambassador to Peru Luiz Coutinho said on 11 April that the results of the recent elections in Peru have shown the will of the Peruvian people in a transparent way.

He said: "I believe the elections last Sunday were quite successful and had much transparency. The results reflect the Peruvian people's will. This was also confirmed by the group of observers of the Organization of American States (OAS) who watched the elections."

The Brazilian ambassador said the recent general elections also favor relations between Peru and Ecuador, but are not very important from the viewpoint of the validity of the Rio de Janeiro Protocol, for which Brazil is one of the four guarantors.

Coutinho said: "This election favors relations between Ecuador and Peru. However, the most important thing is to enforce the resolutions by the Rio de Janeiro Protocol, without taking into account who are governing these two neighboring countries. It is necessary to search for a

definitive solution to the conflict, not tied to circumstances either in Peru or in Ecuador."

Observers Comply with Work Timetable

In this regard, the Brazilian diplomat said that the work on the Peruvian-Ecuadoran border by the observers of the Rio de Janeiro guarantors has been very positive. Serious military clashes began in this area two months ago.

"Their work is very positive because they are fulfilling a timetable that they designed at the beginning of their work in the search for a solution to the border demarcation problems between these two countries. The cease-fire is also being observed, and this is considered one of the main objectives of the observers," he said.

He went on to say that the 90-day deadline established for the separation of military forces and for the demilitarization of the conflict zone is sufficient.

"If it is not sufficient, the deadline can be extended, as is provided for by the Itamaraty Peace Treaty," he remarked.

The ambassador made these remarks shortly after delivering to the Health Ministry a donation of 600,000 doses of a vaccine against yellow fever.

The vaccines will be distributed by the health sector in the central jungle area, where a dangerous outburst of the disease has been reported.

Uruguay

Economy Minister Forecasts No Growth for 1995

PY2004230795 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1502 GMT 20 Apr 95

[FBIS Translated Text] Montevideo, 20 Apr (AFP-NA)—Economy Minister Luis Mosca said on 20 April that the gloomy regional situation will have a direct effect on Uruguay's economy, and will prevent the Uruguayan gross domestic product (GDP) from growing during 1995.

Mosca spoke before the Senate Finance Committee. He said exports to Argentina will drop by 7 percent because of the prospects for a recession and falling prices in the neighboring country.

The minister said that Argentina "has been the main pillar" of Uruguay's economic growth during the past few years, and that thanks to Brazil and its "Real Plan" exports increased considerably.

Mosca warned that the way the Brazilian economy will go following the implementation of changes in its foreign exchange policy is not clear at this time.

The minister said that Uruguayan sales will drop because Uruguayan export competitiveness has deteriorated.

With this explanation Mosca explained the need for a fiscal adjustment which, among other things, contemplates tax increases on salaries and pensions and the sale of new cars, a VAT rate increase, and limits the hiring of new employees by the public administration.

The adjustment also seeks to reduce the tax burden on managers and/or companies, aims at increasing indirect tax returns to companies, reduces the financial cost of exports, and seeks to contain public investments in infrastructure, health, and education work.

Mosca said it is necessary to improve the competitiveness of export companies so they can access markets outside the region.

Venezuela

Interior Minister Cited on Violation of Human Rights

PA2104011095 Caracas *EL NACIONAL* in Spanish
20 Apr 95 p D-2

[Report by Freddy Torres]

[FBIS Translated Text] Interior Minister Ramon Escovar Salom has admitted that the violation of human rights is a tradition in Venezuela but that the government is determined to change this situation.

"We are attempting to take certain measures to change that situation," the interior minister said, after participating in the 19 April ceremony at Madariaga Square, El Paraíso, held yesterday morning.

The problem for the government is not to bashfully deny negative events, but rather, to investigate them and make them public. If human rights have been violated, as indeed they have been, we will have to mend and correct them. No one has said anything, however, about our being a doorway to hell or heaven.

On the likely measures the security cabinet will take to prevent lynchings in Venezuela, Escovar said we must hold talks with neighbor and community associations, "because people are largely concerned about the number of wrongdoers loose in the neighborhoods killing people. They are reacting. The problem now lies in that lynching wrongdoers does not solve anything. Turning them over to the police, which, along with judges, will in turn not release them, is the solution."

Escovar refused to comment on the latest incidents with Colombia, saying "the issue is the Foreign Ministry's turf." On another subject, he said a new police body will not be created. The existing police bodies will be trained in public demonstrations affairs in an effort for them not to react in the "traditional, brutal fashion." He added that demonstrators must also be taught not to shoot at the police.

Finance Minister Denies Amendment Creates Dual Markets

PA2004211295 Caracas *ECONOMIA HOY* in Spanish
19 Apr 95 p 9

[Report by Maria Mayela Armas]

[FBIS Translated Text] Exchange Administrative Board [JAC] President Samuel Wilhelm has noted that all the dollar bonds issued by Venezuela can be negotiated in the country if Decree 326 is amended—although it would create a very restricted dual market system—whereas Finance Minister Luis Raul Matos Azocar stated that amending said decree does not entail the creation of a parallel market because the transactions involve small sums and would not establish the real value of the foreign currency.

According to a JAC communique, under a parallel exchange system "administrators would be compelled to turn over to the appropriate exchange entity a percentage or the total amount of the foreign currency obtained for certain specific reasons. This would give them the liberty to handle uncontrolled foreign currency, which could be negotiated in an authorized market. This way, two legal foreign currency markets coexist, one with an official fixed rate and another with a rate that fluctuates according to the market's supply and demand."

Wilhelm explained that even if the negotiated sum represents only 1 percent of all transactions conducted on the market, a dual exchange system would exist. Matos noted, however, that "a market of barely \$1 million cannot set the guidelines on the exchange rate considering that yearly trade totals \$8 billion."

Matos stressed that the way he sees it, the new amendment would not result in a dual exchange system such as that described in economic theory. "The government will approve amending Decree 326 to pave the way for the sale of not just Brady bonds but also any securities issued by Venezuela, such as any new financial instruments that might arise in the future."

The finance minister said two articles will be rewritten. A legal team consisting of JAC and Finance Ministry officials will make the changes in order to submit the draft to the Council of Ministers on Thursday [20 April].

Matos stated that the government decided to establish priorities in allocating foreign currency to industrial and commercial sectors that will adhere to the price stabilization policy, something that has also been described as being flexible before enforcing after-the-fact control measures.

For this reason, Matos stated that the price stabilization policy and the allocation of foreign currency are closely related.

The Finance Ministry, also, agreed with the JAC to streamline the procedure to review debts. The Finance Ministry will create a coordinating unit to replace the

Analysis Unit of the OTAC [Exchange Administration Technical Office]. To that effect, they will consider reviewing the debt of 65 percent of small businesses.

Finance Minister, JAC President Disagree on Dual Markets

PA2004162795 Caracas EL UNIVERSAL in Spanish
19 Apr 95 p 2-1

[Report on interview with Venezuelan Finance Minister Luis Raul Matos Azocar and Exchange Administration Board President Samuel Wilhelm by Carmen Carrillo; place and date not given; respondents not individually identified]

[FBIS Translated Text] While Finance Minister Luis Raul Matos Azocar explained that there is no dual market by placing less than 1 percent of the bonds and securities being traded at the Caracas Stock Exchange because it is a restricted market, Exchange Administration Board [JAC] President Samuel Wilhelm admitted there is a dual system.

It seems that it is impossible for the members of the JAC themselves to reach an agreement on the thorny Brady bonds issue. Each member has his own version, thus showing certain contradictions.

"I do not know what articles will be modified, but the general idea is that all bonds the government has issued or will issue, as well as other types of securities, could be negotiated within the country. This is the broadest concept," Wilhelm said. Well, we will see; we are working on it, he added.

Opening Paths for Placing Bonds

The finance minister also spoke about the Brady bonds case and their temporary suspension. He reported that he has already talked to all the sectors involved: the Central Bank of Venezuela, the Caracas Stock Exchange, and the JAC.

We agree that we must reach an understanding. The government will approve a modification to Decree 326 opening paths for the placement of Brady bonds and other bonds and securities the government may issue such as any new type of financial instruments.

I want to be very emphatic, and we have understood it this way from the JAC: This position does not imply the creation of a dual market because these operations involve such a low amount that it is impossible to estimate the true value of the foreign exchange.

There will not be a dual exchange rate. The decree has been modified. We hope the modification will conclude today, so that it can be forwarded to the Council of Ministers on 20 April, the minister pointed out.

[Carrillo] Will the Caracas Stock Exchange be fined?

[Matos Azocar] I have said that the parties involved are reaching an understanding, and I do not see why we have to talk about fines.

[Carrillo] What are the specific modifications of Decree 326?

[Matos Azocar] Now it is definite that the bonds will have another value in bolivares. In the meeting we held with the Legal Advisory Office, we addressed the possibility of having a very restricted dual system.

[Carrillo] In the document you submitted to the president of the republic, you mentioned four systems. They are part of the dual system, aren't they?

[Wilhelm] They would be part of the dual system. That is a very personal concept.

[Carrillo] Does the fact that it will be a very restricted system mean it will not exist at all?

[Wilhelm] If we consider that it is 1 or 2 percent or less than 1 percent, it does exist.

[Carrillo] The finance minister said that the delivery of bonds was conditional upon the compliance with the Anti-Inflationary Pact. How will the JAC participate in this process?

[Wilhelm] First, Dr. Matos Azocar, as finance minister, explained that this decision was the result of the import programs the economic cabinet is going to authorize. Based on these programs, we would proceed to authorize the exchange corresponding to their imports.

[Carrillo] When does the modification of Decree 326 begin?

[Wilhelm] We are analyzing it. The lawyers are analyzing it.

[Carrillo] Did Minister Matos say they will submit it to the Council of Minister on 20 April?

[Wilhelm] The modification of Decree 326 will allow the sale of these bonds and securities in the market.

[Carrillo] But it is a dual market; how will you avoid it?

[Wilhelm] If you believe that this 1 percent will create a dual market, then write in your report that it is a dual market. We are facing the media's interests here.

[Carrillo] Jorge Olavarria maintained that the purchase of Fogade [Deposit Guarantee and Banking Protection Fund] assets with Brady bonds violates the Safeguard Law [Ley de Salvaguarda].

[Matos Azocar] I do not argue with Mr. Olavarria.

[Carrillo] How do we prevent a speculative market?

[Answer] Certain media interpretations imply issues that have yet to be considered. What I am trying to say is that we are objectively moving along.

[Carrillo] I am asking you about what people in the street are saying.

[Matos Azocar] Yeah, right! I know where your motives lie!

The minister was then able to control his rude behavior and again repeated the following:

[Matos Azocar] In any case, the position I have is the following: If we have a market of barely \$1 million, which is the amount usually placed, when we are talking about annual \$8-million placements, I cannot consider that this is the market that will lay down the norm for the exchange rate effects. Therefore, in my opinion, there are many interpretations, and I cannot talk about the existence of a dual market.

French Guiana

Ariane Rocket Launched From Space Center

LA2104043195 Paris AFP in Spanish 0250 GMT 21 Apr 95

[FBIS Translated Text] Kourou, French Guiana, 21 Apr (AFP)—The 72d mission of the European rocket Ariane

was successfully launched from the Kourou Space Center during the predawn hours of Friday [21 April], carrying a European satellite, the ERS 2, center authorities have reported.

The launch of the rocket occurred at 0144 [as received] local time, the sources added.

The ERS 2 was placed in a helio-synchronized polar orbit; that is, it will fly over the earth's poles in a synchronized manner, meaning it will pass over the same point every day at 1030.

The ERS 2 will circle the globe at 785 km altitude on a 98.5-degree orbit inclined vis-a-vis the equator, which it will travel in 100 minutes, thus covering the entire earth surface in three days. [sentence as received]

The satellite is equipped with three radars and, together with the ERS 7 launched on 17 July 1991, will provide meteorological and oceanographic information on marine currents and agriculture. It will also permanently monitor the ozone layer.

The ERS 2 was built by a group of European firms led by the German firm DASA (Deutsche Aerospace).

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